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**POLICY DEPARTMENT**



**EUROPEAN UNION  
DEVELOPMENT  
STRATEGY IN THE  
PACIFIC**

**DEVE**





**DIRECTORATE-GENERAL FOR EXTERNAL POLICIES OF THE UNION**

**DIRECTORATE B**

**POLICY DEPARTMENT**

**STUDY**

**EUROPEAN UNION**

**DEVELOPMENT STRATEGY IN THE PACIFIC**

### **Abstract**

Development in the Pacific region is uneven, multi-layered and challenging. The European Union's development cooperation with the Pacific is significant; in fact the EU is the second largest donor of development assistance to the region. This study, implemented by the European Consortium for Pacific Studies, analyses the current and future contexts for European Union engagement in development cooperation with the Pacific, and proposes elements of a renewed EU development strategy for the region. From a Pacific perspective, the question of defining a new EU development strategy is as much a matter of defining new and equal partnerships through which Pacific development strategies can be supported.

Rising to the challenge of re-imagining EU-Pacific relations will require a good deal of work and reflection. The Pacific clearly constitutes a geopolitical context whose importance is markedly set to grow in significance, and there is a clear rationale for the EU to commit further resources to support its interests and activities in the region. In particular, the EU should enhance and deepen its institutional knowledge and means of drawing upon existing expertise on 'Pacific Ways'.

This study was requested by the European Parliament's Committee on Development.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

ACP (Africa, Caribbean and Pacific Group)

ADB (Asian Development Bank)

AOSIS (Alliance of Small Island States)

ASEAN (Association of Southeast Asian Nations)

BSP (Bank South Pacific)

CROP (Council of Regional Organisations in the Pacific)

DEVCO (Directorate-General EuropeAid Development & Cooperation)

EC (The European Commission)

ECDPM (European Centre for Development Policy Management)

ECOPAS (European Consortium for Pacific Studies)

EDF (European Development Fund)

EEZ (Exclusive Economic Zone)

EPA (Economic Partnership Agreement)

EEAS (European External Action Service)

EU (The European Union)

FFA (Pacific Islands Forum Fisheries Agency)

FIC (Forum Island Countries)

FSM (Federated States of Micronesia)

GCCA (Global Climate Change Alliance)

LDC (Least Developed Countries)

LMC (Lowe Middle Income Countries)

MCES (The Micronesian Chief Executives' Summit)

MDGs (Millennium Development Goals)

MSG (Melanesian Spearhead Group)

NAO (National Authorizing Officer)

NGO (Non-Governmental Organisation)

NIP (National Indicative Programme)

OCT (Overseas Countries and Territories)

ODA (Overseas Development Assistance)

PACP (Pacific ACP countries)

PCD (Policy Coherence for Development)

PIDF (Pacific Islands Development Forum)

PIFACC (Pacific Islands Framework for Action on Climate Change)  
PIF (Pacific Islands Forum)  
PIFS (Pacific Islands Forum Secretariat)  
PITAP (Pacific Integration Technical Assistance Project)  
PLG (The Polynesian Leaders Group)  
PNA (Parties to the Nauru Agreement)  
PNG (Papua New Guinea)  
PRIP (Pacific Regional Indicative Programme)  
PSIDS (Pacific Small Island Development States)  
RAMSI (Regional Assistance Mission to Solomon Islands)  
RAO (Regional Authorizing Officer)  
RIP (Regional Indicative Programme)  
SDG (Sustainable Development Goals)  
SIDS (Small Islands Developing States)  
SPC (Secretariat of the Pacific Community)  
SPEITT (Strengthening Pacific Economic Integration Through Trade)  
SPREP (Secretariat of the Pacific Regional Environment Programme)  
SPTO (South Pacific Tourism Organisation)  
UMC (Upper Middle Income Countries)  
UN (United Nations)  
UNDP (United Nations Development Programme)  
UNFCCC (United Nations Framework Convention on Climate Change)  
USP (University of the South Pacific)  
WTO (World Trade Organisation)

## EXECUTIVE SUMMARY

**Development contexts and cooperative partnerships in the Pacific region are uneven, multi-layered and challenging.** Pacific people's livelihoods are intimately connected to globally significant terrestrial and oceanic natural resources, and are increasingly under pressure. Collective interests in the Pacific create a development context in which local concerns ultimately take priority. **As the second largest donor of development assistance to the region, the EU's interests and activities in the Pacific are highly significant** and hold important potential going forward.

This study, implemented by the **European Consortium for Pacific Studies**, analyses the current and future contexts for a European Union development strategy in the Pacific, and proposes a **series of policy recommendations providing a basis for action by the European Parliament**.

The peoples of the Pacific Islands have a long and distinguished history of meeting the peoples of other regions of the world in their own social and cultural terms, and of engaging with outsiders through their own economic and political interests. **It is clear that the Pacific region's dependency on donor-recipient models in development is a thing of the past.** In geopolitical terms, the Pacific region is a multi-polar foreign policy priority for an increasing number of states, and this gives Pacific countries choices to make.

**It is unhelpful to approach the Pacific as anything but a thoroughly heterogeneous, diverse, multi-layered and uneven 'region'.** While the region includes some of the smallest nations of the world, Papua New Guinea, on the other hand, has by far the largest land mass, population and economy, and is increasingly significant for the wider region. Recognizing this will require a correspondingly tailored and fine-grained understanding of policy coherence in terms of sector-by-sector and nation-by-nation.

Given what social scientists know of Pacific political and exchange systems, we should anticipate both openness to engaging in such multi-party relations, and precision in differentiating the relations and motivating interests on offer. The region's **new geopolitical currency is a willingness to seriously engage with emerging definitions of an equal, two-way, partnership relation** in Pacific terms that expand beyond the monetary dimension of cooperation.

Throughout the report, we highlight that, from a Pacific perspective, **the question of defining a new EU development strategy in the Pacific is as much a question of defining a new and equal partnership relation** through which Pacific development strategies can be supported.

**The EU is widely viewed as a valued development cooperation partner whose historical and cultural legacies provide the basis for a special relationship that entails special responsibilities.** The EU's geographical distance from the Pacific need not necessarily place it in a relational disadvantage: indeed these special responsibilities amount to an advantageous relational resource.

The success of any development strategy depends upon, and reflects, **the key architectural aspects of institutional arrangements for policy dialogue: these are in place and have reached some level of maturity in the Pacific context.** Whilst these provide an enabling platform going forward, they also constrain the room for modest or radical changes to EU development strategy.

Consultations for the **11th EDF Pacific Regional Programming** identified Sustainable Management of Natural Resources and Environment, and Regional Economic Integration as two regional focal sectors, and discussed a third and cross-cutting sector (covering governance, gender, civil society and the private sector) in formulating the **Pacific Regional Indicative Programme (PRIP)**.

**All existing and future development progress in the Pacific is vulnerable to climate change** that has already brought rising sea levels, and variable weather systems that pose immediate risks to livelihoods. Any analysis of EU development strategy for the Pacific must take climate change, and the terms of local perceptions of problems and solutions, as central concerns.

**This study was conducted during a watershed moment for EU-Pacific relations.** Both of the EU's principal regional partnerships, the Pacific members of the ACP (PACP) and the Pacific Islands Forum (PIF), published reviews that are instructive for future Pacific-EU relations. **It is vital that the EU similarly, and realistically, reviews the rationales for its position and relations with PACPs and PIF, and its donor coordination in the region.**

Whilst the reviews recognise that **the Pacific is significantly off-track to meet many of the Millennium Development Goals**, and endorse the view of small, remote, isolated and dependent economies vulnerable to pressures on natural resources and climate change, they also **foreground the centrality of culture, religion and societal values and the importance of Pacific-defined 'green growth'**. The EU needs to enhance its ability to take into account the cultural and social aspects of a development strategy.

The Pacific reviews also identify issues of human resource and institutional capacity constraints, and a strong preference to **reduce aid fragmentation by more directly increasing the use of national priorities and in-country systems**. Crucially, they depict development as something that happens through supra-national agency, and call for more relationally equal and democratically accountable partnerships for development.

ACP linkages are increasingly multi-layered, and the rationale of common development objectives is no longer a primary bond. **Pacific ACPs intend to enhance their position in the ACP, and to revamp their relations with the EU. PACPs expect the EU to recognise their particular circumstances, and to at least maintain the per capita spend.** Given the region's enlarged geopolitical importance, this is a reasonable and realistic expectation.

PACPs also reasonably expect an equal development partnership to streamline monitoring and funding processes, and to qualitatively improve locally appropriate projects. Clearly, **a streamlined EU bureaucracy would release human resources otherwise tied up in planning and implementation capacities (in Pacific governments and in the EU Delegations).**

EU project coordinators were positive: overall, projects were appropriately designed, funded, and forward looking. However, the paperwork required from EU-funded projects is considered too slow and demanding in comparison to other donors. **The EU needs to support rather than duplicate the work of other international partners and identify for itself distinctive 'niche' projects and approaches.** Focus should be given to understanding Pacific identifications of development challenges, priorities and methods.

**The key issue here is to understand and respond to critiques of donor-led and 'top-down' development**, that is, to examine the ways in which decisions are made, and the kinds of decisions that are made, and to consider whether the current process is able to design and deliver projects that are appropriate and workable at the local level of development ownership.

Effective cooperation between EEAS, DEVCO and PACPs to identify and action projects is crucial. A fuller analysis of working practices both in Brussels and in the Pacific delegations is required. **EU-PACP-OCT interactions in Brussels could be enhanced, and the outline proposals for a 'Pacific House' venue should be re-assessed.**

Rising to the challenge of re-imagining EU-Pacific relations will require a good deal of work and reflection. **The Pacific clearly constitutes a geopolitical context whose importance is markedly set to grow in significance, and there is a clear rationale for the EU to commit further resources to support its interests and activities in the region.** In particular, the EU should enhance and deepen its institutional knowledge and means of drawing upon existing expertise on **'Pacific Ways'**.



# 1. INTRODUCTION

## 1.1 Background and Scope of the Study

This study was commissioned by the European Parliament's Committee on Development (EP DEVE). It examines the relations between the EU and the Pacific Islands region, and aims to give recommendations for future EU engagement with the Pacific. Taking into account the EU's long-term and consistent engagement in development cooperation with the Pacific region, as well as the geostrategic significance of the island states of the Pacific, the study describes some main characteristics of the region, and provides background analysis of important development challenges. **The EU is a highly valued development partner in the Pacific, and is singled out for the importance it places on promoting good governance and financial oversight. It is indicative and significant that the EU's Pacific partners wish to extend the range of topics and scope of cooperation beyond humanitarian assistance.** A range of current EU efforts of development cooperation in the Pacific are examined. Building from this, the study outlines possible elements of a future EU development strategy in the Pacific, asking how, and in what sectors, EU-Pacific development cooperation can achieve better results, and perhaps consolidate the EU's position in the region. Furthermore, the study suggests how the European Parliament and its Committee on Development can increase and improve donor coordination and policy coherence in the Pacific region.

The Pacific is a vast Oceanic region composed of a number of small island states, many of which have minimal land masses but huge and resource-rich Exclusive Economic Zones (EEZs). Papua New Guinea is something of an exception in several respects: it is by far the largest landmass, the biggest economy, the most populous and most natural resource rich country in the Pacific. PNG's progress towards development goals has significance for the wider region, as does its emerging role as a regional force in its own right. For example, in the context of trade, PNG was able to quickly respond to the EU's offer of an interim European Partnership Agreement (EPA), and is crucial to moves towards an expanded EPA for the Pacific region. PNG has also taken a lead in deep sea mining, and will likely play a major role in future developments in the Pacific region. A further indication of PNG's emerging role in the wider Asia and Pacific area is evident from its long-standing ambition to formally join the Association of Southeast Asian Nations (ASEAN). Any consideration of the Pacific as region must take due account of PNG being at least half the story.

The growing geostrategic importance of the Pacific Islands region has made it an emerging foreign policy priority. Its nations may be for the most part small, but they represent a sizeable potential block of United Nations votes. The region is increasingly significant in wider contests between major powers including China, Japan, the United States, and Russia, and in situations such as that of Taiwan, whose desire for UN recognition (opposed by China) drives a competition for UN votes. Added to such accelerating geostrategic interests in the Pacific Islands is the repertoire of global climate change concerns, where the Pacific figures strongly in terms of its nations' vulnerability to sea level rise, ocean acidification and extreme weather. The independent nations of the Pacific all belong to the category of Small Island Developing States or SIDS, and are widely viewed as sharing characteristics such as smallness, remoteness, and fragility, calling for specific development approaches. Yet such definitions obscure the extraordinary diversity of the Pacific, whose nations represent extremes of scale exemplified by Papua New Guinea's population of about 7,5 million and Niue's population of less than 2,000. This diversity poses major challenges for any development strategy aiming to have full regional applicability. Its interpretation needs not be taken to extremes, though: in major issues like high-seas fisheries management and the onset of climate change effects, all Pacific SIDS share concerns, ambitions and agendas, and there is considerable potential for regional synergy.

The SIDS of the Pacific constitute a distinctive category within the 79 ACP (Africa-Caribbean-Pacific) nations and the Cotonou Agreement under which much of the EU's development funding is organised. Cooperation between the European Union and some countries in sub-Saharan Africa, the Caribbean and the Pacific (not yet as the ACP Group) started in 1957 with the signature of the Treaty of Rome, which gave life to the European Common Market. The Treaty provided for the creation of European Development Funds (EDFs), aimed at giving technical and financial aid to African countries still colonised at the time and with which some States of the Community had historical links.

Cooperation between the EC and Pacific Island countries began in 1975 with Fiji, Tonga and Samoa signing the first Lomé Convention. Since then the Pacific ACP group has enlarged as countries and territories became independent during the lifetime of the first Convention. The Cotonou Agreement (2000-2020) between the European Community and the ACP Group was signed in 2000, and has since been reviewed in 2005 and 2010 (following the 2009 Treaty of Lisbon). European Development Fund (EDF) is the main instrument for providing EU assistance for development cooperation under the Cotonou Agreement.

15 ACP member states are treated together as the Pacific ACPs (PACPs): this grouping comprises Timor Leste and 14 Pacific island states. 13 PACPs are members of the Pacific Islands Forum (PIF). Fiji is currently suspended from PIF, while Timor Leste also holds special observer status, has attended all meetings, and is considering full membership. Timor Leste has also applied for membership to the Secretariat of the Pacific Community (SPC). The PACPs then, share ACP membership and have a common interest in the Cotonou Agreement, and display certain characteristics that allow EEAS and DEVCO to approach their political and development contexts in a similar manner. In this study we follow this established rationale, whilst also recognizing that the region's diversity and political economy presents specific challenges in all PACP member states.

These 15 Pacific ACP members receive development assistance mainly through the European Development Fund (EDF). In addition, the four Overseas Countries and territories (OCTs) of New Caledonia, French Polynesia and Wallis and Futuna (France) and Pitcairn (United Kingdom) are associated to the process. The Regional Authorizing Officer (RAO) for the Pacific region is the Secretary General of the Pacific Islands Forum Secretariat (PIFS). Regional Programming is undertaken jointly by the RAO on behalf of the 15 National Authorizing Officers (NAO), and by the Head of Delegation for the European Commission for the Pacific.

The EU maintains a presence in the Pacific region through delegations in Fiji, Papua New Guinea, Samoa and Solomon Islands. Equally, many Pacific countries maintain a presence in Europe. The ACP Group represents all 15 PACPs through its offices in Brussels. Several Pacific countries maintain a diplomatic mission in Brussels – Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tuvalu and Vanuatu – and Tonga is represented from London. Although the Pacific Islands Forum (PIF) does not maintain such a presence in Brussels, the Pacific Islands Forum Secretariat (PIFS) maintains an office in Geneva to represent regional interests and the five Pacific countries who are full members of the World Trade Organisation (WTO) – Fiji, Papua New Guinea, Solomon Islands, Tonga and Samoa, and to support Vanuatu's final preparations to join.

Although France, the United Kingdom and Germany maintain some diplomatic presence in the Pacific, most EU member states rely on the collective framework of the EU to promote and deliver on foreign policy interests in the region. They also rely on the EU to provide development cooperation owing to the limited presence of Member States' development agencies or programmes on the ground. Germany's GIZ is a notable exception here, having an active network and programme in the region. For these and other reasons, such as the efflorescence of strong inter-governmental regional organisations,

the Pacific can be considered as a very interesting test case for EU's policy coherence for development and effective donor coordination.

This study was conducted during a watershed moment for EU-Pacific relations. Towards the end of 2013, after the study was commissioned, both of the EU's principal regional partnerships, the Pacific ACP countries (PACP) and the Pacific Islands Forum (PIF), published their own reviews of the Pacific region's future relations in terms of these larger collective bodies. **The reviews provide instructive insights for Pacific-EU relations, and we recommend that the EU studies and responds to their calls for working together towards a new relationship.** Importantly, each of the reviews envisions an enhanced role for the Pacific regional organisations, seeking to enlarge their place and voice – whether within a continuing grouping within ACP, or through the regional role of the PIF in relation to its global partners including the EU. **As these Pacific-made reviews make clear, the question of defining a new EU development strategy in the Pacific in fact is the challenge of defining a new and equal partnership relation of the EU with the Pacific and its collective political bodies.** The reviews therefore provide instructive characterisations and also pre-figure future Pacific-EU relations.

Whilst the present report takes the opportunity to engage these reviews, it is apparent that a fuller digest and analysis will require further work. However, it is important to acknowledge that these reviews must provide our starting point here for they clearly depict both the development challenges and portray the emerging political context.

In October 2013, the PACP Mulifanua conference on future perspectives for the ACP group beyond 2020, concluded that 'The Pacific's interaction with the ACP group and the EU needs to be revamped' (2013:4). The conference heard from Samoa's EU ambassador Dr. F.P. Luteru that, all too often, 'reference to partnership and hence the assumption of equal partners being involved in the decision making process, is a myth', and that by default, donor-recipient relations remain 'the fundamental flaw in ACP-EU relations as well as in other aid programmes' (Luteru 2013:1). This vision for a new partnership relation was elaborated at the start of Luteru's presidency as Chair of the ACP Committee of Ambassadors (Aug 2013 – Feb 2014), and calls for a 'new methodology for doing business with our partners, especially the EU', and to agree upon principles and frameworks beyond humanitarian aid:

... rather than seeing us stuck with a donor-recipient mentality - whereby we always seek to ask for something, we go always giving out our hand wanting something. Our discussion is always characterized by money - therefore the atmosphere is not always conducive, because it's more or less confrontational, always. So we want to move away from those situations [and] smooth the terrain for the more technical discussions to take place. [...] The ACP wants to place itself so that our partners seek something from us, not always us seeking something from our partners<sup>1</sup>.

The Pacific Islands Forum Secretariat (PIFS) recently published a thoroughgoing review of the political and development contexts in the Pacific brought together in the key 2006 Pacific Plan. The review concluded that:

The strength of this vast but low-populated, diverse region is its social and natural capital. This implies a nuanced interpretation of 'growth' and 'poverty', of pathways to development, and of the centrality of culture, religion and societal values, in any consideration of 'the region'. [...] In aggregate, the Pacific region is significantly off-track to meet many of the Millennium Development Goals. [...] An overriding observation is that, for many things, Pacific development is – or is often perceived to be – something that happens through supra-national agency. And that is frustrating to many Pacific citizens and politicians. (PIF Pacific Plan review 2014:15)

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<sup>1</sup> <http://www.acp.int/content/video-samoan-presidency-targets-action-rather-talk-acp-envoys>

Importantly, the reviews each stress the value of the EU's partnership and express a wish for greater interaction and cooperation, and also envision an enhanced role within and for these collective bodies - whether within a continuing ACP grouping or in PIF's role in the region. Clearly, the issues of participation and ownership in development priorities and projects are on-going, and the highlighted primacy of national plans is linked to issues of autonomy in committing funding supports. As these Pacific generated reviews make clear, particular states and regional organisations wish to prioritise their own plans and strategies, and to promote their own role in decision-making. **This is why we say that, from a Pacific perspective, the question of defining a new EU development strategy in the Pacific is as much a question of defining a new and equal partnership relation through which Pacific development strategies can be supported.**

The effectiveness of any EU development strategy in the Pacific is a reflection of the form and quality of EU-Pacific relations, and it is striking that each of the two reviews mentioned devotes primary attention to the nature of those relations and the character of the partnership. This distinctive Pacific way of foregrounding social relations and personal agencies is entirely characteristic, and is consistent with research evidence generated by the long-term Pacific research record of the social sciences and humanities. In some important respects, the two reviews voice and advance a significant critique of the conventional and dated development relationship based on a donor-recipient model, and a serious critique of the corresponding donor-led model of identifying development priorities and projects. It is clear that the Pacific region's dependency on such models is a thing of the past. In a multipolar geopolitical context with an increased range of willing partners and financial supports, the Pacific region has choices. In this sense, the Pacific region's geopolitical currency, and scarce resource, is a willingness to seriously engage in an equal partnership relation.

We need to state here at the outset that the critique of donor-led development is hardly new. Indeed, it has become conventional in the Pacific, but it is not straightforward and promotes several alternative scenarios. In the Pacific, the critique of the donor-recipient model provides the means for leveraging partners into collapsing the model into a more equal relation, as may be the case with the ACP and EU. But it also opens up for welcoming support with 'no strings attached', as appears to be the case with China's current expansion as a Pacific development partner: whilst there is increased awareness and caution around China's assistance, the quick delivery of assistance is appreciated. The critique may also allow for moves to take more exclusive control over the decisions about and deployment of partner funding, as one reading of the new role that the PIF is defining for itself might suggest. Finally, through fundamental critique of interventionist donor interests as such, those interests may be circumvented. A further dimension here is the evident willingness throughout the Pacific to promote collaborative engagements among the public, private and civil society sectors.

## 1.2 Method of the Study

This study has been carried out on behalf of the European Consortium for Pacific Studies (ECOPAS), a research network in the Social Sciences and Humanities funded for 2012-2105 by the European Union's Seventh Framework programme. ECOPAS ([www.pacific-studies.eu](http://www.pacific-studies.eu)) aims to fill current gaps of knowledge and provide a research-based grounding for more effective regional assistance from the European Union, as well as to create pathways for European-Pacific collaborative research that will feed into policy. ECOPAS is composed of six centres of excellence in research, higher education and policy; four in Europe (Norway, the United Kingdom, France and the Netherlands) and two in the Pacific (Papua New Guinea and the 12-nation University of the South Pacific). The network's activities connect researchers in many European and Pacific institutions, policy-makers in Brussels and elsewhere, and grassroots movements in the Pacific.

The findings of this report are based on a range of quantitative and qualitative data from various sources. The study has drawn on research-based knowledge from the ECOPAS network. A review of background documents has been carried out, as well as analysis of reports, surveys and policy documents on Pacific development and EU-Pacific relations from EEAS, DEVCO and other EU sources, Pacific governments and regional organisations, and NGOs, development partners, think tanks and civil society in Pacific states, EU Member States, Australia, and New Zealand. In connection with the implementation of components of the ECOPAS Work programme, fact-finding missions for this study were also carried out in December 2013. Interviews were held with EU and Pacific government and regional organisation representatives and other stakeholders in Samoa, Fiji, Vanuatu, Solomon Islands and Papua New Guinea.

The implementation of this study by a research consortium dedicated to Pacific studies has allowed for wide consultation with specialists within particular fields of relevance concerning Pacific regional characteristics and EU-Pacific relations, as well as for the harvesting and processing of relevant documents. Nevertheless, the present report should not be seen as exhaustive or definite. Given the limited resources and time span allocated to this genre of study for EP-DEVE, it was decided by ECOPAS to organise the implementation of the study around a small task force consisting of one lead writer (C. Borrevik) and several of the Consortium's Work Package leaders and research associates as co-authors and contributors, respectively. Through all of January and most of February 2014, the lead writer worked in dialogue across the ECOPAS consortium and in liaison through e-mail with EU offices and agents in Brussels and in the Pacific, and carried out extensive reviews of policy documents. A brief visit to Brussels in January provided for meetings with EEAS and DG DEVCO and attendance at a Pacific Regional Team Meeting organised by EEAS.

Despite the approach taken by ECOPAS to carefully maximise the potential of the resources provided for the study, it goes without saying that the specifications for the study as given by EP-DEVE would have required longer time and a larger team to be addressed in their fullest depth. The limitations of time and human resources imposed on the study necessarily imply that this report provides a limited discussion only, from the ambition of laying out the groundwork for more long-term extensive analysis. We have also taken into account the statement from EP-DEVE that the given Specifications for the study are to be seen as indicative of the requested elements of the study. Indeed the following text does not follow point-by-point the structure laid out in the Specifications, but we have endeavoured to cover the issues and topics requested as widely as possible within the scope of the time and resources allocated.

Finally, a note on the particular approach taken for this study, from the ECOPAS foundations of research agendas in the social sciences and humanities. This study discusses the different bases for Pacific regionalism, and analyses the dynamics whereby the collective relations of regionalism are always in tension with the particular, and diverse, interests of individual Pacific island states. As such, 'regionalism' in the Pacific should not be regarded as a collective end in itself, but rather as one means amongst others of furthering particular interests. It may be predicted that any move to enhance a collective grouping, such as the PIF, will facilitate the resistance of particular interests and smaller groupings, and vice versa. It is therefore necessary to go beyond such paradoxes, and grasp that collective groupings and particular relations provide different bases from which to advance interests. This also suggests that the EU has good opportunities for better understanding and engaging in these dynamics, so as to advance its own interests. Whilst this picture of Pacific regionalism is hardly straightforward, it is important to recognise that there are certain observable processes at work, and that these are familiar to social science and humanities researchers. We strongly encourage further research on these processes and their significance for Europe-Pacific development policy.



## 2. THE PACIFIC REGION'S DEVELOPMENT CONTEXT AND ITS FUTURE PROSPECTS

### 2.1 An Overview of the Pacific Region

The Pacific Islands region represents a globally unique diversity of languages, cultures and state formations, extending for thousands of kilometres in the tropical zones on both sides of the equator. The Melanesian, Polynesian and Micronesian peoples of the Pacific represent the world's largest linguistic diversity. Nearly 25%, or 1500, of the world's 6000 languages are spoken in the Pacific. Culturally, politically and economically there is immense diversity across the region, with marked differences apparent even within states. There is, however, a widespread regional sense of belonging to the Pacific, as well as broadly shared experiences of living on islands surrounded by ocean but simultaneously linked, historically, culturally, economically and politically, to neighbouring islands.

In the present time, the high profile of Pacific Islands nations on the global climate change scene, as well as the potential of those nations to form a block in the UN, drive initiatives of regionalisation: on these scenes the Pacific is both viewed as, and responds as, a 'region'. However, shared characteristics as outlined here do not necessarily make for political coherence or for sustainable initiatives of regionalism. There is reason to argue that a much more fine-grained understanding than a simple 'regional' one is needed. The EU would be well advised to invest in the development of a strong knowledge base for future EU-Pacific cooperation on political scenes and in development.

At the extremes of scale, the Pacific region includes the increasingly wealthy continental island nation of Papua New Guinea (population ca. 7 million, land mass ca 460,000 km<sup>2</sup>), and the tiny atoll nation of Tuvalu (population ca 10,000, land mass 26 km<sup>2</sup>). Few state formations could be seen as more different from each other. Yet tiny Tuvalu has an Exclusive Economic Zone (EEZ) of 753,000 km<sup>2</sup>, almost a third of Papua New Guinea's EEZ which extends to 2,396,000 km<sup>2</sup>. And the somewhat larger atoll nation of Kiribati in the central Pacific (population ca 100,000, land mass 726 km<sup>2</sup>) has the twelfth largest EEZ in the world at more than 3,5 million km<sup>2</sup>, making for an extraordinary rich marine resource base (see Annex 1).

This picture is further complicated by the diversity of political formations in the Pacific. 12 highly diverse independent SIDS exist in the region and relate to the wider world in such capacity (in descending order of population size, Papua New Guinea, Fiji, Solomon Islands, Vanuatu, Samoa, Federated States of Micronesia, Tonga, Kiribati, Marshall Islands, Palau, Nauru, Tuvalu). Additional nations exist in association with New Zealand (Cook Islands, Niue, Tokelau). Several Pacific island groups are incorporated or un-incorporated territories or states of the United States of America (Guam, Northern Mariana Islands, American Samoa, Hawai'i). France maintains three overseas countries and collectivities in the Pacific (the large continental island of New Caledonia, the archipelagos of French Polynesia, and the small islands of Wallis and Futuna), the United Kingdom has one overseas territory (the tiny, remote Pitcairn Islands), and at the far eastern end of the Pacific is Easter Island, a territory of Chile. To this complexity is added a diversity of bilateral, multilateral and regional strategies of Pacific SIDS and OCTs in relating internationally such as with partners in development cooperation or resource extraction. Moreover, the two intra-regional powers of Australia and New Zealand act variously as both internal actors and external influences on the political and economic dynamics of the contemporary Pacific.

The island nations of the Pacific have a central role in the contestation over, competition for, and conservation of some of the world's key resources, far surpassing their modest size in terms of land mass and population. Some of the smallest Pacific nations control EEZs of vast scale, and express their sovereignty as independent states first and foremost through control over the largest ocean in the

world and its resources. From west to east the terrestrial and marine biodiversity of the Pacific Islands decreases. Yet with high numbers of endemic species among plants, land animals and birds in islands and archipelagos, and an extraordinary biodiversity on coral reefs, the natural environments of the tropical Pacific are of major global significance. Added to this are the huge pelagic fish stocks of the Pacific Ocean; it is reckoned that about two thirds of the world's tuna catches come from the Pacific. With these high levels of biodiversity, and with marine resources the highest global significance, Pacific SIDS engage with the outside world in regionally specific, often unexpected and unconventional, ways. For example, most of the countries have their main land and reef resources under customary control by local communities. And for the ocean, Pacific SIDS have together developed regional as well as inter-country mechanisms for the management of marine resources, particularly tuna, though organisations such as the FFA and the PNA. These diverse and uniquely Pacific approaches to resource management are not always well understood by external actors, but have significant bearings for the desires of globally powerful partners such as the EU to engage in the extraction, development and conservation of the resources of the Pacific.

## **2.2 Environmental Challenges and the Effects of Climate Change**

Many of the Pacific's contemporary development challenges can be traced back to constraints and opportunities posed by the island environments and their resources. 95% of the Pacific region is ocean. The Pacific's archipelagic, in a few cases single-island, nations are most often characterised by vast distances between islands and difficult national logistics. Many nations have poorly developed state mechanisms with limited rural reach. Often, the state and its institutions, including those of health and education, simply are not present in remote islands in reliable ways. In many cases, it is the churches that provide some means of rural infrastructure instead. In most Pacific countries, the majority of the population still live in often remote rural locations. For example, in the Western Pacific nations of Papua New Guinea, Solomon Islands and Vanuatu, three of the largest of the region, at least 80% of the population remains rural. These people live in villages and still rely on subsistence-based economies based on fishing and agriculture of small scale, and their access to cash markets and urban infrastructure is precarious and irregular.

Owing to low population densities, the resources of coral reefs and tropical forests, on which the subsistence economies are based, remain fairly strong in many Pacific nations. This is particularly so in the resource-rich high islands of the Western Pacific, where high biodiversity and low population densities have made for the long-term development of resilient rural economies. However, most Pacific nations now experience the rapid development of localised overpopulation and resource depletion, and rapid inroads are made by global agents of large-scale resource extraction – in the Western Pacific typically focused on rainforest timber, as well as minerals, oil and gas – resulting in accelerating and severe environmental problems. Urban populations are rapidly growing throughout the Pacific, leading to overload on already insufficient town infrastructure. In the atoll nations of central Pacific, there are urban areas on very limited land with up to 5,000 people per km<sup>2</sup> (such as at Tarawa, the capital city of Kiribati) – a population density comparable to that of London, yet with limited infrastructure and with a severe lack of fresh water. Living on a palm-fringed atoll elevated only a metre or two above sea level, where the only drinking water is brackish, would be seen by any standard as perhaps a very challenging human existence. But generally speaking, the subsistence economies of the Pacific remain globally unique in the way in which they provide food security and act as buffers against the instabilities of global economy. Pacific Islanders have many ingenious ways of making a secure living from what by outsiders may be seen as limited resources.

The situation of the Pacific Islands in terms of climate change effects – low contribution, massive exposure – is well known. But long before the onset of the effects of climate change, the tropical Pacific was known for its strong seismic forces and much extreme weather. The region lies in the so-called ‘Ring of Fire’, several tectonic plates interact there, and the catastrophic threats of earthquakes and tsunamis go hand in hand with the seasonally more predictable onslaught of cyclones. All these environmental threats pose challenges to the economic and social well-being of islanders. However, issues are becoming global to a greater degree than before, with meteorological forces – cyclones, drought, rainfall – becoming more extreme. The people of the Pacific are also becoming more aware of anthropogenic environmental effects of climate change. Indeed, the Pacific Islands region is considered particularly vulnerable to these predicted effects, which involve not only rising sea levels, but also the intrusion of salt water into fresh water resources and coastal vegetation, the acidification of the ocean and the death of coral reefs, and the development of erratic patterns of rainfall and drought. These processes are likely to have devastating consequences for food production and for the sustainability of everyday life.

In diverse ways, the forests and seas of the Pacific are crucial to global biodiversity, climate and weather. Changes to climate and accelerated weather variability might initially register in the Pacific, but their effects are felt well beyond the region. The low-lying atolls of the Pacific have also borne the brunt of global warming and sea level rise, and have seen the world's first climate refugees contemplating a permanent departure from their islands. Meanwhile, the Pacific's geological characteristics make the region one of the most important commercial frontiers for mineral exploitation, and the forest resources of the large islands of the Western Pacific have included some of the world's last major stands of tropical hardwood.

In the general field of environmental challenge, and especially climate change, Pacific SIDS are major global players, through the influential roles of their diplomatic representatives and their task-oriented organisations in the United Nations system. This was seen most recently through the September 2013 *Majuro Declaration for Climate Leadership*, where the leaders of the nations that compose the regional Pacific Islands Forum collectively voiced their dedication to work for the reduction of greenhouse gases worldwide, while simultaneously committing their own nations to spearhead that process through radical measures. In late September, the president of the Marshall Islands presented the Majuro Declaration to UN Secretary-General Ban Ki-moon in New York, offering the Declaration as a ‘Pacific gift’ to the UN. The United States, the EU and the United Kingdom have committed their signed support of the Majuro Declaration.

### **2.3 The Geostrategic Context**

The peoples of the Pacific Islands have a long and distinguished history of meeting the peoples of other regions of the world in their own social and cultural terms, and of engaging with outsiders through their own economic and political interests. Aside from the wide geographical extent of their archipelagos and island nations, the peoples of the Pacific are known for the diversity of their languages and cultures. The strategic natural resources of the Pacific combined with 12 votes at the United Nations (13 when Timor Leste is included) have drawn the geopolitical concerns and attentions of China, Russia and the USA, amongst several others. Such dimensions are of crucial importance to any understanding of the Pacific, and to any analysis of EU development strategy in the region.

Each Pacific nation holds one vote in international institutions such as the UN. This position enables the Pacific to engage and benefit from being a third-party to issues on which they have no direct interest, and also to manoeuvre other parties on issues of direct concern to them. What gives political allegiances and alliances their power is only partly explained by historical connection and collective



weight, and derives instead from the tension whereby loyalties are vulnerable to the actions of others – the ‘loyalty’ is to relations of a certain kind, performed in a certain way – and so the task and test for politics is to keep up the relationship in particular ways rather than allow others to take it up. Given what social scientists know of Pacific political and exchange systems, we should anticipate both openness to engaging in such multi-party relations, and a sophisticated aptitude for complexities that go beyond simply taking sides, from Pacific peoples here. We can count on Pacific peoples to be able to differentiate one kind of relation from another, and to perceive the motivating interests with precision – and importantly, to quickly discern relations that treat and value it in its own right from those that do not. Of course, every one of the Pacific’s partners would like to think that they do just that.

The current Pacific situation has been described as ‘multipolar’, with many different potential outside partners seeking to establish relationships with Pacific nations, and with no undivided regional loyalties within the Pacific. In addition to the long-term connections with the former (and to some degree present) colonial powers of the UK, France, Australia and New Zealand and with large nations of the Pacific Rim, the SIDS of the Pacific Islands have established more recent ties of diplomacy and development cooperation with a broad range of countries. These include the United States, Japan, Cuba, United Arab Emirates, Iran, Timor-Leste, Indonesia, Russia, China, Taiwan, Malaysia, Korea, and more.

Through these far-ranging alliances and connections, Pacific SIDS have been enlisted to support causes as diverse as de-colonisation, the Palestine/Israel conflict, and the Russia-Georgia crisis. Some of the overseas connections of Pacific SIDS relate to corporate interests, to the politics of the Pacific fringe, or to global issues at large. For example, Timor-Leste has become a PACP partner to Cotonou and is developing its ties to the countries of the Melanesian Spearhead Group; Malaysia, Indonesia, and Korea have long-standing interests in logging operations in the large Melanesian islands of the Western Pacific, various Asian, Australian and North American interests are expanding into mining; and Taiwan (also known in the Pacific as The Republic of China) is wooing Pacific SIDS for support towards UN recognition.

Although the Pacific Islands nations are mostly small, this has not stopped them from standing up against some of the world’s major powers. For example, the atoll nations of Marshall Islands, Kiribati and Tuvalu have risen against the United States, Australia and Canada and other powers in international climate negotiations. The rise to prominence of small Pacific nations in the United Nations Framework Convention on Climate Change (UNFCCC) is an extraordinary accomplishment by Pacific Islanders. On another scene, Tonga, Samoa and the nations of the Melanesian Spearhead Group (MSG) have continuously voted in the United Nations for nuclear disarmament initiatives, in opposition to the wishes not only of the US, but also of the Pacific ‘superpower’ Australia.

During the past decades there has been an increase of new, overseas national players in the Pacific region, whose initiatives are channelled through both bilaterally and vis-à-vis Pacific regional organisations. China is a major emerging actor on this scene. Such developments have taken place as some former ties have been getting complicated. For example, with Fiji’s history of military coups causing tension in its relations with Australia and New Zealand, new international relations have been welcomed. Predictably, there have been some concerns regarding some of the newly established diplomatic relations. Australia and New Zealand have been concerned with the increasing presence of China in the region and its ‘no-strings-attached’ approach to development funding, as well as what they see as Russia’s ‘cheque-book diplomacy’ in return for supporting Russian interests in South Ossetia and Abkhazia. Lastly, the support of Pacific nations has been contested over in getting support for memberships in the United Nations Security Council. The small Pacific countries are as such attractive partners, also for the EU, as the 28-member bloc of the EU and the SIDS of the world together would

represent more than one third of the total UN membership. The formation of such a massive bloc, however, may not be a realistic scenario, given the diversity and complexity involved among the SIDS of the different regions and their relationships to major global powers.

## 2.4 Pacific Regional, Inter-governmental Organisations

One of the globally unique characteristics of the Pacific Islands region is the proliferation of strong regional, inter-governmental organisations whose largely pan-Pacific agendas are political, financial and technical. In general, the regional organisations of the Pacific provide a larger-scale level of management for nations whose individual administrative resources in many cases are too small in scale to handle a multitude of international issues. They also provide a number of channels for intra-Pacific, international discussion. Connected to the comments and analysis of Pacific regionalism above, regional and sub-regional organisations work from different standings and may cooperate together in complex ways. For example, the Melanesian Spearhead Group (MSG) regards itself as pushing ahead and is seeking a separate EDF funding envelope with which to support development in the wider Pacific region also. Relationships of development cooperation in the Pacific can, therefore, hardly be understood without in-depth knowledge of these organisations, and an overview of the main ones are given here. Some particularly interesting dimensions relate to the inclusion or exclusion of the major regional powers of Australia and New Zealand, to the roles of Pacific Islands nations in organisations of global scope, and to sub-regional distinctions reflecting the traditional geographical and cultural divisions of Melanesia, Polynesia and Micronesia.

**The Pacific Islands Forum (PIF):** PIF is the EU's most important regional partner. Currently, 13 of the 15 PACP States meet once a year with Australia and New Zealand as the Pacific Islands Forum (PIF) – Fiji is currently not included, and Timor Leste enjoys special observer status. PIF is the EU's principal development partner and channel for political dialogue with the Pacific in regional terms. The Pacific Islands Forum was founded in 1971 as the South Pacific Forum, changing its name in 2000 to accommodate new Pacific nations north of the Equator; its current format and constitution arises from a 2005 agreement which established the Forum as an inter-governmental organisation at international law, and which expanded the role for Dialogue Partners. The three US territories of American Samoa, Guam and the Commonwealth of the Northern Mariana Islands have recently obtained observer status. The Overseas Countries and Territories of the Pacific, as well as the United Nations and several other international agencies are Associate Members, while the EU and 13 other major countries are Dialogue Partners. The Secretary General of the Pacific Islands Forum Secretariat (PIFS) is the Regional Authorising Officer (RAO) for the EU Regional Indicative Programme (RIP) on behalf of the Pacific ACP countries. The PIFS also chairs the Council of Regional Organisations in the Pacific (CROP)<sup>2</sup>. PIF is also responsible for the *Pacific Plan 2006-15* which is an important guideline for various countries and organisations' development commitments and implementation in the Pacific region, including the EU. The EU enjoys Dialogue Partner status with the Pacific Islands Forum, with a formal Post Forum Dialogue taking place with fourteen external partners including the EU (and France, Italy and the UK). For good and bad, according to whose views are expressed, the EU's development assistance to the Pacific is inextricably bound to the PIF and its regional organisational network. Website: [www.forumsec.org](http://www.forumsec.org)

**Pacific Small Island Development States (PSIDS)** consists of 11 independent Pacific Island countries and is part of the wider group of SIDS with small island nations in the Caribbean and in the AIMS

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<sup>2</sup> Among these are the Pacific Islands Forum Fisheries Agency (FFA), the Secretariat for the Pacific Community (SPC), the Secretariat of the Pacific Regional Environment Programme (SPREP), the South Pacific Tourism Organisation (SPTO), and the University of the South Pacific (USP) ([www.forumsec.org/pages.cfm/about-us/crop/](http://www.forumsec.org/pages.cfm/about-us/crop/))

(Atlantic, Indian Ocean and South China Sea) region. First established in 1992, the SIDS organisation is represented at the United Nations, and its members work together to advance common interests particular for these countries, as well as the Millennium Development Goals. 2014 has been designated by the UN as the International Year of SIDS. The Pacific sub-section was established in 2007. Website: [www.pacificsids.org](http://www.pacificsids.org)

**Alliance of Small Island States (AOSIS)** is a coalition of 39 small island countries (including 5 from the Pacific including Timor Leste) with similar development challenges and concerns about the environment. AOSIS functions as a negotiating voice for all SIDS in the United Nations (UN), and is currently chaired by the UN Ambassador of Nauru, who also chairs the Pacific SIDS organisation. Website: [www.aosis.org](http://www.aosis.org)

**The Melanesian Spearhead Group (MSG)** is a gathering of the large Melanesian countries of the southwest Pacific that together focus on corporate services, economic and social development, political affairs, as well as trade and investment. Members are Papua New Guinea, Solomon Islands, Vanuatu, Fiji, and the FLNKS indigenous organisation of New Caledonia. In respect of the highly significant Melanesian population in its Papua Province (the western half of the island of New Guinea), Indonesia enjoys observer status - although some regional voices would prefer this observer status be reserved for the Free Papua Movement. Website: [www.msgsec.info](http://www.msgsec.info)

**The Polynesian Leaders Group (PLG)** is a new international governmental cooperation group bringing together eight independent or self-governing countries and territories – Samoa, Tonga, Tuvalu, the Cook Islands, Niue, American Samoa, French Polynesia and Tokelau. PLG formed in 2011 as the realisation of long-held ambition and in response to the growing profile of the MSG.

**The Micronesian Chief Executives' Summit (MCES)** is composed of the Chief Executives from the Commonwealth of the Northern Marianas, the Territory of Guam, the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia, and its four state Governors (Chuuk, Yap, Pohnpei, and Kosrae). Since 2003, the MCES has met bi-annually and has issued a series of joint communiqués.

**Pacific Islands Development Forum (PIDF)** is a new regional organisation created after the United Nations Conference on Sustainable Development (Rio + 20) in 2012, taking the lead from that conference's focus on 'green economy' as a tool for sustainable development. PIDF had its inaugural meeting in Fiji in August 2013. The emergence of PIDF is not unconnected to Fiji's suspension from the PIF since 2009: Fiji has a leading hand in the PIDF and hosts its secretariat. It is worth noting then, that PIDF excludes Australia and New Zealand. PIDF is, however, open to all Pacific island countries irrespective of their political status whether independent states or dependent territories (including the OCTs), and in that respect could be considered more inclusive than PIF which only is only open to independent states. Founded by Pacific Islands leaders from public and private sectors and civil society who wish to address regional development challenges for PSIDS through a Pacific framework of 'Green/Blue Economies', the PIDF is a clear Pacific follow-up of the now well-established critique of donor-led development. Website: [www.pacificidf.org](http://www.pacificidf.org)

## **2.5 Pacific Non-state Actors**

The Pacific region may seem to have perhaps a globally unique level of regional cooperation with its proliferation of inter-governmental organisations as outlined above. There are also several categories of influential non-state actors and stakeholders that operate both regionally and within any single Pacific nation. They may play central roles in the delivery of many public services. Their roles need to be better understood, and we provide a brief summary here.

Most notable of these non-state actors are the churches which play a vital and important role in the Pacific. Religion is a key characteristic of the region: whilst Christianity is the most significant mainstream religion, there are large Muslim and Hindu congregations in Fiji, for example, as well as followers of the Baha'i Faith in many Pacific nations. Many different Christian denominations are present and the establishment of new churches is a common feature. With even the smallest and most remote rural village having a church as its most prominent building, churches are a powerful factor in Pacific societies. The importance of churches in Pacific power structures is mirrored by the prominent presence of clergy and senior church officials as community chiefs, in national governments and in the leadership of regional organisations. In any Pacific society, the church functions as a religious meeting point as well as an important actor for social and economic development, and it may safely be said that churches are the single most prominent scene for the development of civil society throughout the Pacific.

While churches are thus very influential in the everyday scene at all levels, it must also be taken into account that diverse forms of community-based groups, kinship networks and chiefly systems continue to have a strong impact on the lives of Pacific people. Customary ownership of land and inshore reef and sea resources is the constitutional norm in the independent nations of the Pacific, and so networks of family and kinship are of key importance in local issues of resource management and development. The high importance of such community-based systems of resource ownership and rural leadership can lead to contradictions in terms of what is expected by, for example, micro-projects as funded by the EU, and close attention needs to be paid to the local diversity of power as manifested in the rural areas. The conventional frameworks of development projects, including their requirements for community involvement, consultation and consent, may communicate poorly with the non-standardised diversity of rural communities.

Across the Pacific region there is a high number of NGOs, such as women's groups, human rights groups, environmental organisations, and so forth. While they may be national in formation and scope, they are invariably connected to international NGO networks, and may be branches of global NGOs. Pacific NGOs work in collaboration with national governments, rural communities and interest groups, and may be in more or less direct contact with development donors such as the EU. Since many NGOs have solid local understandings of development needs, and some have built up a strong capacity for project management, they may provide channels for mediation between the development sector of the EU and other major donors and the complex rural realities. However, the sheer number and diversity of NGOs in most Pacific nations may pose difficulties for identifying how cooperative relationships should be established.

In comparison with the powerful churches, the resource-controlling local community level and the diversity of national and international NGOs, the private sector in most Pacific nations is less central to the development assistance scene. Throughout the Pacific, many of the most central scenes for imported supplies (fuel, consumer goods, etc.) are in the hands of either international companies or national Chinese (or, For Fiji, Indo-Fijian) minorities, and the financial sector has until recently been dominated by largely Australian banks. Large-scale natural resource extraction (timber, fish, minerals) is dominated by transnational companies mainly from Asia. They sometimes act in joint ventures with national government, but are rarely interested in joining hands with agendas of sustainable development pursued by development donors such as the EU, and in many cases are largely out of the reach of the state.

On the private financial scene, an interesting current development is the rapid expansion into the national banking sectors of several major Pacific nations (Solomon Islands, Fiji) of the Papua New Guinea based Bank South Pacific (BSP). Recent efforts by BSP have in effect broken the long-standing monopoly of Australia and New Zealand banking. This rapid increase of intra-Pacific financial influence

is associated also with the emergence of Papua New Guinea as a regional development donor in its own right. Clearly, the EU needs an enhanced understanding of PNG and its emerging regional role in order to guide future development of the EU's strategies for the Pacific generally.

## **2.6 Development Challenges: Towards a New Perspective?**

Most Pacific countries struggle to achieve the Millennium Development Goals (MDGs) by the 2015 deadline. In this, they are not, of course unique, as MDGs are widely viewed as unrealistic and too aid-dependent. In any event, most Pacific SIDS face a shared set of development challenges, as summarised in the *United Nations Development Assistance Framework for the Pacific Region (2013-2017)*:

Factors such as physical isolation, small populations, market access and economies of scale, limited governance structures, varied natural resources endowment, inadequate infrastructure and costly transportation, the impact and variability of climate change, natural hazard risks, and economic shocks all constitute key development challenges to the countries in the Pacific (UNDP 2012: 9).

To this, and running an obvious risk of over-generalisation and of painting a picture overly dark, we might add a variety of additional development challenges typical of the Pacific region: *A dual disease burden* of communicable diseases (malaria, pneumonia, tuberculosis, HIV) and non-communicable, lifestyle- and diet-related diseases (such as cancer, diabetes, heart disease); *underemployment* both of skilled labour and of growing cohorts of youth who leave the educational system with little training but find it hard to re-adapt to a rural lifestyle; *gender inequalities*, through which Pacific women face problems in health, education, economic achievement and gender-based violence; *overseas migration* in response to inequalities in socioeconomic opportunities, to some degree positive for national economies through remittance money, but often involving the departure of much-needed skilled workers; and *government instability* in contexts of poor urban-rural communication, conflicting political loyalties on local and national levels, and vulnerability to corruption and other forms of transgression from global capitalism. This summary conveys some of the conventional views of what problems the Pacific region is likely to face in the coming years.

The assessment by the UN points to several interconnected and recurrent dimensions of vulnerability, of which the climate change scenario is but one of many. Although the strong rural subsistence economies described previously in many respects constitute the Pacific Islanders' source of food security, may buffer 'economic shocks' produced by global finance, and thereby alleviate malnutrition and poverty, their resource bases are increasingly threatened. Although electricity is often confined to urban and semi-urban areas, no Pacific Island nations are independent in terms of energy production. A strong reliance on imported petroleum products is universal for the region, which makes the Pacific SIDS highly vulnerable to fluctuating oil prices. The development of alternative energy sources for the Pacific nations is not only an issue of climate change mitigation, but also more fundamentally one of reducing an over-reliance on the expensive import of fossil fuels.

This is connected to another fundamental development challenge for all Pacific SIDS; the problem of transport. Rural economic development and the provision by governments of health and education to the rural are made difficult by a lack of reliable sea and air transport between islands. A surprisingly large proportion of inter-island travel in the Pacific relies on privately owned open boats powered by outboard motors, complemented by a few often inadequately maintained cargo-and-passenger vessels whose schedules may be erratic. Recent initiatives at and around the University of the South Pacific focused on sustainable sea transport, in which the power of the wind again takes centre stage, are of interest here. The other self-evident dimension of the energy situation is that nearly all rural electrification in the Pacific still relies on diesel generators. Both wind power and solar energy are

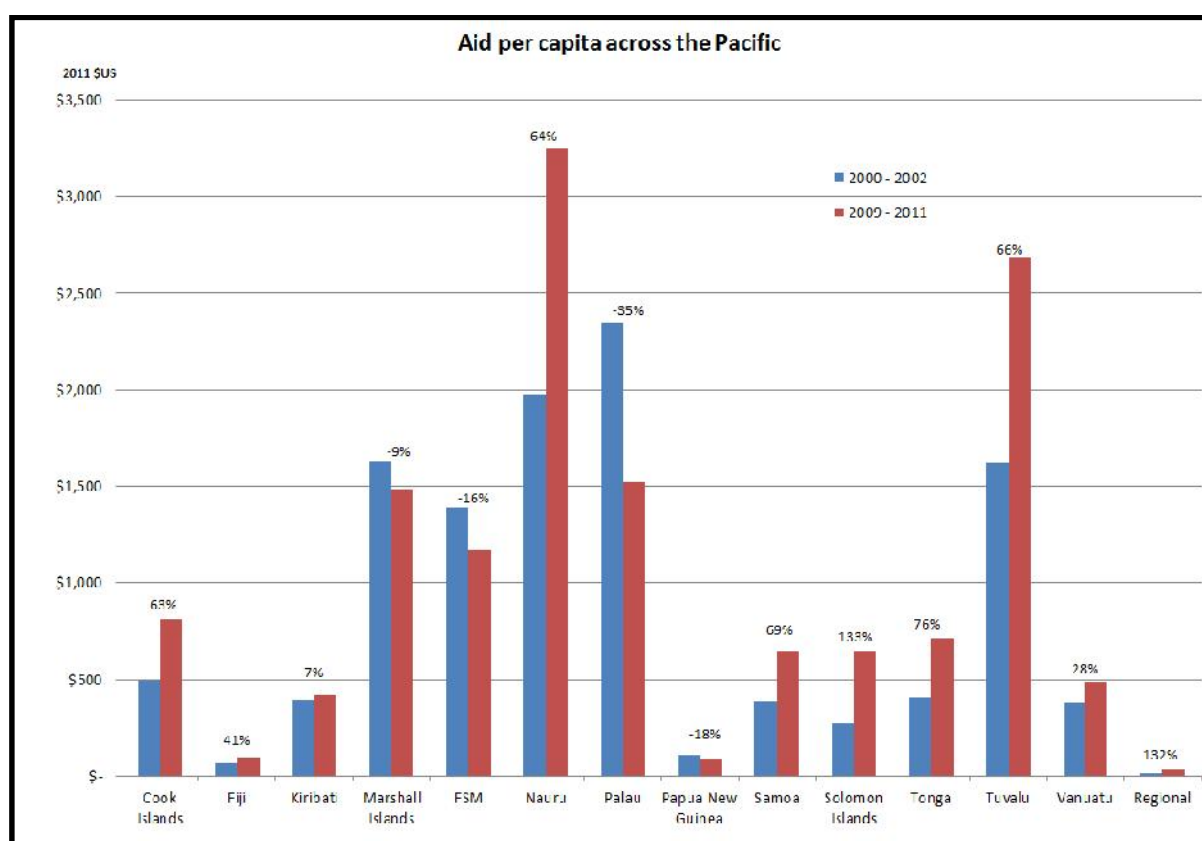


realistic ways towards developing efficient rural energy, as exemplified by the Marshall Islands where a nation-wide solar electrification effort (including urban areas) is under way.

The development challenges outlined above are likely to remain in the Pacific over the next 10 to 15 years. Some are likely to expand and intensify as more extreme weather and other effects of global climate change gain momentum, threaten rural ways of life, cause new migration patterns, and undermine the already low resilience of infrastructure. However, we have to move beyond the simple depiction of ‘challenges’, even if the concept sits at the heart of EU-Pacific relations. As social scientists whose long-term research in the Pacific informs our view of the development scene, we argue that a close focus on vulnerability motivates outside intervention, a form of outside initiative Pacific Islanders have known thoroughly well through centuries of colonial history. As exemplified by some of the Pacific initiatives mentioned above, a stark conventional depiction of ‘development challenges’ does little justice to the aspirations and ambitions of Pacific people themselves.

With its large number of nations relative to a small total population, the Pacific region remains the largest recipient of aid per capita in the world. This makes for a distinctive picture of aid distribution. According to the PIF Secretariat, the Pacific ‘every year receives between 1.5 and 2 billion USD or 5 times more ODA (Overseas Development Assistance) per person than South Saharan Africa’ (Figure 1).

**Figure 1. Aid per capita across the Pacific, 2000-2011.**



Source: Pryke (2013)

The percentages indicate the growth of aid per capita between the two periods. An average three year period is taken to smooth out year to year volatility. Niue is excluded from the graph because of scaling requirements. Based on statistics from *World Bank Databank*.

We propose that a closer focus is given to Pacific identifications of challenges, and to consequent Pacific interpretations of development priorities. There is a proliferation of local, national and regional initiatives of setting agendas of Pacific goals for the future. This has a history as long as that of the donor-led definition of development priorities. Prominent Pacific thinkers have provided important models such as Narokobi's 'Melanesian Way' and Hau'ofa's 'Sea of Islands', and the notion of a specific 'Pacific Way' has remained strong in the regional organisations. And in a general sense, the growing opposition to donor-led development priorities is a response from Pacific Islanders who wish to see these priorities defined from their own perspectives.

From the largest Pacific nation of all comes a particularly strong expression of aspirations for development: the ambitious strategic plan *Papua New Guinea Vision 2050*, described by then Prime Minister Somare as 'a new path for our future to ensure that positive development is not left to chance'. This document reaches beyond the scope of MDGs to place particular emphasis on the cultural and social dimensions of development. And the Pacific SIDS organisation (PSIDS) takes its own approach to identifying the main challenges of the Pacific for the oncoming decades. The PSIDS overview prioritises *climate change*, in terms of addressing causes of, and adapting to, the adverse impacts of climate change, including the security implications; the general ambition of *sustainable development*, in terms of progress towards sustainable development through implementation of the Mauritius Strategy for the Further Implementation of the Sustainable Development of Small Island Developing States, and achieving the Millennium Development Goals; *investment*, seen as encouraging both public and private investment; and *oceans and fisheries*, defined as 'sustainably managing their marine resources and protecting vulnerable marine ecosystems'.

In the present situation of opposition to donor-led development, a shift away from constraints seen as 'challenges' that inhibit development, to opportunities represented by Pacific people's own aspirations and visions for the future, seems well-advised for a major development cooperation partner such as the EU. A closer attention to what the people of the Pacific want to do and how they want to do it would involve new forms of relationships. From a Pacific perspective, it appears that what needs to be transformed is the nature and characteristics of EU-Pacific relations themselves. We advise that attention is given to the recent calls and offers from the Pacific for a new kind of relation, and we wish to draw attention to the ways in which such relations can be played out and made manifest in the Pacific context.

### 3. ANALYSIS OF CURRENT EU DEVELOPMENT COOPERATION IN THE PACIFIC

#### 3.1 EU-Pacific Relations

This section of the study sketches some of the main characteristics and trends of EU development cooperation in the Pacific. It has been noted already that the Pacific region might be an interesting test case for EU's policy coherence for development and effective donor coordination. To paint a broad picture: While Asian interests in the Pacific are primarily tied to resource extraction and secondarily geostrategic, North American (US) interests are largely strategic, and **European engagements in the Pacific take place on a combined background of geopolitics and ambitions of sustainable development of human and natural resources**. The diverse scenes of Pacific-European interaction are of particular interest for both research and policy, from the perspectives of both European and Pacific Islands researchers and policy-makers.

Whereas the Asian, North American and European positions are sketched above, the intra-Pacific scene needs separate attention here. In fact both Australia and New Zealand are members of the PIF, and

therefore are in a special position with regard to the region's politics. But even the continuous, long-established interactions between Pacific SIDS and the regional powers of Australia and New Zealand can be tense and difficult. The manner in which New Zealand and particularly Australia have developed a view of the Pacific as a region of 'failed states' has raised concerns about the degree to which such designations, framed under the banner of 'good governance', represents neo-colonial interference in the sovereign affairs of island states. It needs also to be mentioned that the simplistic Australian foreign policy view of the Pacific, in particular the nations of Melanesia, as an 'arc of instability' is disputed by much social science research on the actual political processes and formations of the region.

The EU characterises itself as different in its wish to challenge Pacific governments to move on the complex fields of civil society and governance, and to promote free political opposition, free media, and active civil society. The latter is seen by many observers as a sector that has potential for expansion with regard to smaller development assistance grants. It must be mentioned, though, that not all governments in the Pacific are in favour of a stronger civil society, given the tendency of this sector to challenge dominant views held by national elites. Herein lies a potential for disagreement between the EU and Pacific governments.

In its own infrastructure, the European Union has dedicated Pacific provisions within the European External Action Service (EEAS) and DG-DEVCO, maintains delegations across the region (in Fiji, Papua New Guinea, Samoa, and Solomon Islands) and is the second largest donor of development assistance funding to the Pacific region. **EU-Pacific relations are guided by the 2006 strategy paper, *EU Relations With The Pacific Islands - A Strategy For A Strengthened Partnership*** (European Commission 2006). The most comprehensive description and detailed analysis of EU-Pacific partnership relations is provided by the *European Community – Pacific Region, Regional Strategy Paper and Regional Indicative Programme 2008-13*. Subsequent developments are described in the 2012 statement *Towards a Renewed EU-Pacific Development Partnership* (European Commission 2012).

Several important developments for EU-Pacific relations took place in 2005: revision to the Cotonou Agreement, a new Pacific Islands Forum agreement, PIF's Pacific Islands Framework for Action on Climate Change (PIFACC), and the EU's *European Consensus on Development*. Accordingly, in 2006 the EU Council enacted a strengthening of the political relationship between the EU and the Pacific ACP countries through enhanced dialogue with PIF. Set out in the 2006 strategy paper, *EU Relations With The Pacific Islands - A Strategy For A Strengthened Partnership*, this initiative was described as 'the first formal strategy in thirty years for EU-Pacific relations [and] reflects the growing environmental, political and economic importance of the Pacific region'.

The *Joint EU-PIF Nuku'alofa Declaration* produced by the initial EU-PIF Special Dialogue held in Tonga in 2007 agreed on an enhanced and high-level structure for Political Dialogue at Ministerial level, and on an agenda that included regional issues of trade and the environment. Progress was also made towards a European Partnership Agreement (EPA), and the 10<sup>th</sup> European Development Fund (EDF) was discussed with particular reference to sustainable development and climate change.



**Figure 2: Final EDF10 Allocations to 15 PACPs.**

EDF: COUNTRY <sup>1</sup>	Country rank	EDF10 2008-2013	EDF 10 2008-2013
		Initial allocations (Million €)	End allocations (Million €)
Cook Islands	UMC	3,0	3,9
Fiji <sup>2</sup>	LMC	30,0	0,0
Kiribati	LDC	12,7	21,0
Marshall Islands	LMC	5,3	6,9
Federated States of Micronesia	LMC	8,3	8,3
Nauru	UMC	2,7	2,7
Niue	UMC	3,0	3,7
Palau	UMC	2,9	2,9
Papua New Guinea	LMC	130,0	104,7
Samoa	LDC	30,0	48,2
Solomon Islands	LDC	13,2	50,7
Timor Leste	LDC	81,0	91,2
Tonga	LMC	5,9	15,0
Tuvalu	LDC	5,0	7,0
Vanuatu	LDC	21,6	23,0
TOTAL		354,6	389,2

Source: EEAS

<sup>1</sup> Additionally, for the OCTs of EU countries, EDF10 has the following indicative allocations (million €): New Caledonia 19,8; French Polynesia 19,7; Wallis & Futuna 16,4; Pitcairn 2,4.

<sup>2</sup> In Fiji's case end allocations were zero due to the measures adopted by the EU under Art. 96 of the Cotonou Agreement, induced after the military coup in 2006.

The European Development Fund (EDF) is the main instrument for providing EU assistance for development cooperation under the Cotonou Agreement. The EDF is funded by the EU Member States on the basis of specific contribution keys. Each EDF is concluded for a multi-annual period, with the most recent 10<sup>th</sup> EDF running from 2008-13 (Figure 2), to be followed by the 11<sup>th</sup> EDF planned for 2014-2020.

In the 11<sup>th</sup> EDF, climate change is expected to be a major crosscutting issue, and the development of this scene for EU-Pacific cooperation is therefore highlighted in the following section. In general, the EU's development cooperation with the Pacific is shaped by the identification of and commitment to pre-defined sectors for support, and by the promotion of crosscutting and mainstreaming issues, such as climate change and gender. A key point here is the relatively new dialogue partner relationship with the PIF as the RAO for EDF funds, this being the EU's major recent decision in shaping a development strategy. The PIF's role is now a main venue for identifying development priorities, which has increased priority and profile of intra-Pacific planning. At this regional level, key priorities envisaged for the field of EU-Pacific cooperation are the sustainable management of natural resources, and regional economic integration. In this context, the EU has maintained and even expanded its presence in Pacific – although

this has also involved some centralisation, through the closure of small national delegations such as in Vanuatu.

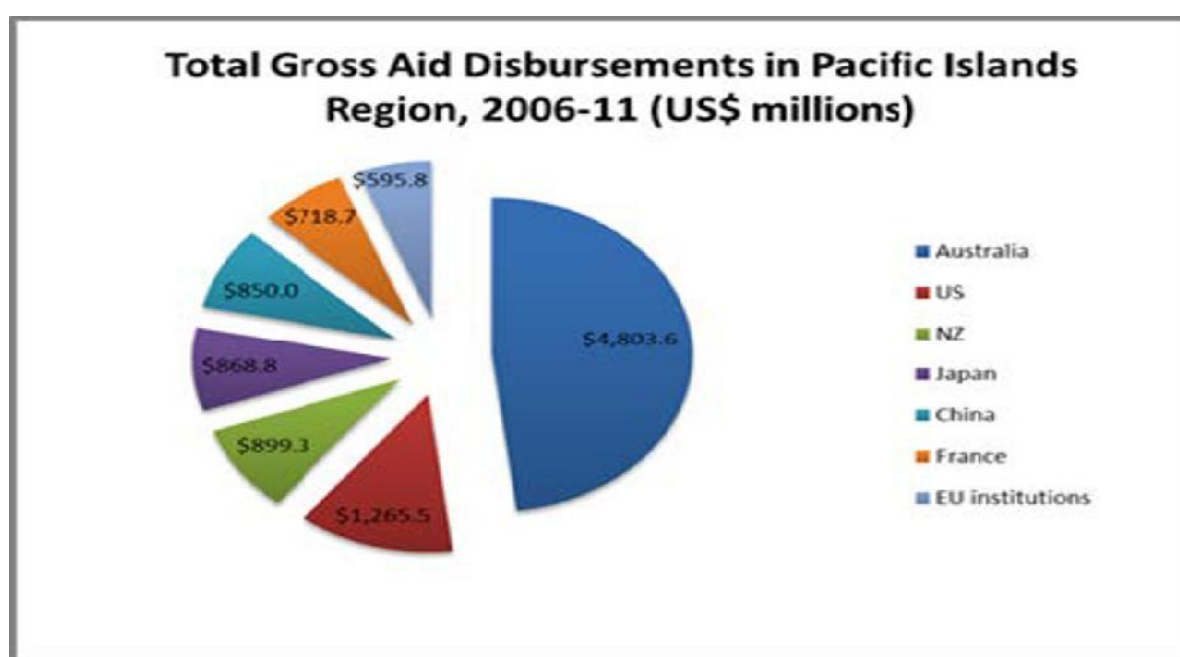
### 3.2 An Overview of Development Cooperation and Aid in the Pacific

Over 90% of all aid to the Pacific SIDS comes from the six lead donors: Australia, France, Japan, New Zealand, the United States and the European Union (Figure 3). Funding is also received from the Asian Development Bank (ADB) and multilaterally through the UN. China is rapidly expanding its donor role, through its strategy of providing not just development funding with few strings attached, but also (and increasingly) infrastructural 'soft' loans that in the eyes of some observers may create debt-ridden small island nations. There are significant differences in how the major donors distribute aid in the Pacific. While the bulk of US aid goes toward the three freely associated States (Federated States of Micronesia, the Marshall Islands and Palau); France is focused both on its own three Pacific territories and on contribution to the ACP partnership; the total EU funding goes to the Pacific ACP countries and the four OCTs; and Australia and New Zealand cover the PIF island countries, with Japan also mostly providing support to those countries.

The complexity of the development aid scene has not gone unnoticed among Pacific Islands leaders themselves. From an observable lack of significant results in the Pacific despite the distribution of high levels of development funding, PIF leaders in 2009 agreed on the *Cairns Compact* which aims to 'strengthen coordination and use of all development resources in the Pacific, in line with international best-practice as expressed in the Paris Declaration on Aid Effectiveness, the Accra Action Agenda and Pacific Principles on Aid Effectiveness.'

We now briefly examine two very different categories of major Pacific donor: Australia and New Zealand, on the one side, and France, on the other. Such discussion will be instructive for an assessment of how the EU is perceived in the region and how it might **aim to re-position its development assistance by developing a distinctive 'EU niche' that would also support the efforts of its regional partners.**

**Figure 3. Total aid figures to the Pacific from 7 major donors, 2006-2011.**



Source: Hayward-Jones (2013)

There are certain differences between Australian and New Zealand aid concerning scale and sub-regional spheres of influence, in part owing to colonial history. New Zealand has presented an image of itself as the 'kinder' neighbour, who understands Pacific cultures, while Australia has been criticised for lecturing Pacific Island leaders on their failings in the past. But Australia and New Zealand also have many shared interests, as shown by their joint stance on human rights issues and on 'good governance' – and by the Pacific Plan which was promulgated by former Pacific Island Forum chair, the Australian Greg Urwin. In similar fashion to the EU's European Partnership Agreements (EPA), which it has only established with PNG on an interim basis, Australia and New Zealand are also working together on regional trade agreements. There is always a risk that these are perceived to disadvantage smaller partners and to work against other development aspirations. Australia has led the way in 'hard' assistance missions – not just the Regional Assistance Mission to Solomon Islands (RAMSI), an armed intervention to restore law and order there, but also in the training of police staff and secondment of Australian military and police personnel. One area where New Zealand might be seen as leading the way is in seasonal employment migration schemes for Pacific Islanders, which is also a stated Pacific ambition for future employment mobility to the EU.

The role of France in the Pacific scene of development cooperation and aid is complex, given the multi-channel funding arrangements for French development assistance. France is the second largest contributor (after Germany) to the European Development Fund, financing development programmes for ACP countries and for its own Overseas Countries and Territories (OCTs). France differs from other donors since it is a country defined as 'resident' in the Pacific region based on its OCTs. The French presence in the territories of New Caledonia, French Polynesia and Wallis and Futuna has provided these OCTs with the highest standard of living among the Pacific Islands. In that regard, the French OCTs appear to be viewed in some circles as visible examples of European approaches to development, security and welfare, to be further promoted vis-à-vis the less privileged independent nations of the region. The French OCTs also pursue their own strategies and goals for Pacific regional cooperation; for example, they seek representation at the EU's regular meetings with the independent PIF countries. It appears to be a priority for France to continue its presence in the Pacific, as that presence supports France's seat in the UN Security Council as well as NATO, and provides access to strategic resources such as minerals and fish. To this end there is considerable French diplomatic and development agency infrastructure in the region. It is important for the broader picture to differentiate French support to its Pacific territories and strategic interests from French support for the wider Pacific through bilateral and EU channels.

At a general level, the EU's role as a leading aid donor in the Pacific is, not unexpectedly, closely tied to France-Pacific relations. In fact the EU's claim to be the second largest development donor to the Pacific region relies on the inclusion of France's aid disbursements, which in any given year at least equals the total contributions from EU institutions. The picture is complex, and is tied to the EU's very strong overall development assistance focus on the SIDS of the world (a total of about €3,500 million during 2007-2013), wherein Pacific and Caribbean states take centre stage through the ACP umbrella. The EU's contributions to the Pacific are channelled through the DCI/EDF geographic / bilateral programmes through sectorised thematic programmes, and through Regional Indicative Programmes (RIP). Specific, urgent, humanitarian aid is also given when needs arise, as well as long-term funding for specific focused projects such as the Global Climate Change Alliance ([www.gcca.eu](http://www.gcca.eu)). Climate change, sustainable energy and water and sanitation are set to remain a priority sector for EU-Pacific development cooperation in the foreseeable future. Other sectors may also be further pursued in EU-Pacific dialogue in order to provide better coordination and coherence between the EU's development policy for the Pacific and its other interests in the region, including geopolitical ones. Gender, Climate Change.

### 3.3 Pacific Reviews of Pacific Development

We now turn to the observations and analyses of Pacific SIDS themselves. The Pacific region is, as may be expected from the preceding outline of donor complexity and from its very high per capita reception of aid, not unfamiliar with the need to monitor, understand and analyse the interfaces between national and regional aid coordination and multiple donor requirements. Since 2009, the Pacific Islands Forum Secretariat (PIFS) has reported annually to the Forum on a process of peer review of the national development planning and budget processes of Forum Island Countries (FICs). The aim of this peer review process at country level is to improve regional development coordination. The most recent of these review reports, entitled *Sustaining Progress and Moving Forward: 2013 Tracking the Effectiveness of Development Efforts in the Pacific Report*, gives the following key messages to Pacific development partners:

- Urgently address human resource and institutional capacity constraints
- Reduce aid fragmentation and increase the use of country systems
- Promote inclusive and accountable partnerships for development

The report discusses the ways in which closer dialogue between the Pacific countries and the development partners may ensure effective aid management. Examples are drawn from Pacific countries that have established relevant mechanisms, such as the Donor Forum in the Federated States of Micronesia (FSM) and the Inter-Agency Joint Technical Taskforce on Development Effectiveness in Papua New Guinea. Several countries have also enabled aid management policies that set out defined expectations of the way in which aid should be provided and that provide ground rules for development partner behaviour, such as Tuvalu and FSM's Aid/Development Cooperation policies.

Overall, the PIF report shows that there has been a certain reduction of the problem of fragmentation of government programmes supported by overseas development aid. There are also indications of a growing alignment between the EU's development cooperation, including the framework for EDF11, and the PIFS recommendations cited above. However, the Pacific has still not achieved the desired results in terms of effective alignment and delivery of programmes. Given the donor diversity, the Pacific Islands nations all have large numbers of ongoing development projects and programmes that demand their own reporting formats according to donor and sector. There is a clear need for better coordination, not only concerning overlapping projects, but of reports and procedures as well. Managing ever increasing portfolios of projects and grants preoccupies many PIF countries to an extraordinary degree. In three countries reviewed there were an estimate of 150 to 200 active projects per country, most with their own reporting formats and management requirements. This becomes particularly stressful in the case of one country, where one staff member managed the financial reporting for about 200 projects and grants.

There are important questions of scale to be addressed here. A considerable proportion of EU funding to the Pacific countries is provided through budget support, through programmes on poverty reduction, economic recovery and reform, as well as support to stabilization and debt reduction. Other projects are on education, health, water and waste, renewable energy, social development, humanitarian aid, disaster risk management, climate change, private sector, trade, food security, transport, cultural heritage, security and human resources. The PIF report highlights the need to understand the variations of the Pacific countries. Some countries, in particularly the larger ones, have well developed systems of management, while others struggle with basic administration and human resources. Understanding and taking into account the complexity of governance across the region is

crucial to the success of projects; we need only consider the scale and complexity of Papua New Guinea, on the one hand, and the small atoll nations, on the other.

After the present study had been commissioned, the PIF published a comprehensive, insightful and critical peer review of its own Pacific Plan. There has not been time for us to provide a full analysis of the review and its implications, but we provide a summary discussion. However, as mentioned in the introduction, this and the separate PACP reviews would justify much further study, since still too little is known about the lessons from the reviews to commit major funding decisions or to fully respond to the implications for EU-Pacific relations.

The PACP review fits into the wider ACP future perspectives, and focuses attention on the character of EU-Pacific relations. Accordingly in our discussion of Pacific development lessons here, we focus on the Pacific Plan review. The *Pacific Plan 2006-2015* is referred to by the PIF Secretariat as the 'master strategy for strengthening regional cooperation and integration in the Pacific'. It provides a regional framework that guides national governments, regional agencies and development partners in pursuit of the goals of PIF countries. Often described as an 'organic' plan to be adjusted and re-informed along the way as needs arise, its framework was subject to a comprehensive peer review during 2012-2013. **The recommendations of the Pacific Plan Peer Review team are radical and most instructive to aid donors, and some of its recommendations are of particular interest to the EU. We therefore recommend that full and careful attention be dedicated to gaining a clear understanding of this new vision, and of the implications for the EU in exercising its own interests.**

The Review stresses an ambition to move away from core funding tied and dedicated to technical projects, in order to release more of it to build overall capacity and competence. A return to supporting and enabling the original ideal of the Pacific Plan, which was political in scope and concerned with empowering the Pacific by allowing it to establish itself as a region in its own terms, is instead made paramount. This requires that due representation is given to PIF member nations and their citizens, which in turn requires that donors, particularly the above mentioned member states (and regional powers) should not expect to influence the direction of the Plan as a regional development agenda.

Interestingly, the main thrust of the Review stresses that the Pacific Plan was always intended a project to promote 'regionalisation', not primarily a development strategy. This necessitates a move away from technological to political development, in order to enable policy-making processes that are self-governing. The re-establishment of the Plan's original goal is referred to as the 'New Framework for Pacific Regionalism', and the Peer Review recommends that this becomes the new title of the regional framework so far entitled the Pacific Plan. These recommendations are radical and involve a restructuring of Pacific relations with donors.

It is proposed that the PIFS serves as a conduit for policy advice, to be derived from an open form of intra-Pacific review. PIF members are invited to opt into or out of an approved list of initiatives, to be judged on the basis of regional scope and relevance, in consideration of which the Review recognises that many values and priorities are widely shared within the Pacific (e.g., gender equality, sustainability, climate change, good governance). With the recommendation that special consideration should be given to diversity and culture, it is noted that some PIF members may choose to implement no initiatives at all.

Donor countries, thus, are invited to fund a non-initiative based policy that contributes towards enabling PIF members to establish a flexible form of regionalism. Multilateral sources of finance and expertise (development organisations and institutional support) are recommended as a means of destabilising the hold that the two wealthy donor PIF members have over the course of Pacific development.

It is worth emphasising that the Pacific Plan Peer Review presents the European Union as an example of what regionalism might look and function like in the Pacific context (although it is noted that EU models of shared sovereignty might not hold in the Pacific). It might not be seen as far-fetched that the EU could present itself as an advisor on regionalism through a partnership form of organisation. This would entail the provision of expertise rather than policy, and might limit the role of Sustainable Development Goals (SDGs) as a priority basis for funding. There seems to be a potential for a closer working relationship that recognises and addresses key issues of governance, rather than the existing EU-Pacific relationship which is primarily focused on measuring the attainment of goals.

With regard to the longer-term challenges of environment and development in the Pacific, the Peer Review positions climate change in a particularly striking way. Climate change is expressed as a local priority and a core regional concern, although it is marginal to the Peer review report itself. But seen in conjunction with the Majuro Declaration on Climate Leadership, there is a joint ambition of regional leadership. When the Peer Review considers Pacific regional integration, climate change in fact features as a central resource for external communication.

### 3.4 The Effectiveness and Coordination of EU Aid to the Pacific

Donor coordination in the Pacific seems hard to achieve, and the challenge is exacerbated by geopolitical interests in a multipolar and multi-layered context. **In the Pacific region, the EU is widely viewed as a valued development cooperation partner, largely due to historical and cultural connections and legacies of European interests in the region.** In some sense, the colonial history of Europe in the Pacific has been suggested as basis for special relationship, and entailing a special responsibility. From the Pacific, expressions have come of welcoming Europe (as well as the United States) 'back into the region', having 'ignored' the Pacific whilst focused on Iraq and Afghanistan. As a development cooperation partner, the EU is valued in the Pacific especially for being viewed as free from the concerns of having an immediate geographical interest in controlling the region, and often contrasted with Australia.

As far as donor coordination and collaboration from the EU perspective are concerned, there are several mechanisms in place in the Pacific locally. The Pacific EU delegations meet with other donors to the region on a regular basis, through initiatives such as the Core Economic Working Group or the Donor Coordination Group. In each country, and also regionally, regular meetings are held within the various sectors. Delegation and sector personnel also have regular meetings with the Government. An impression emerged from observations at EU delegations in the Pacific that the division of labour and responsibility between (diplomatic) EEAS and (implementing) DG-DEVCO reflects the formal distribution of roles in the identification, formulation and implementation of programmes, and is an on-going challenge for close cooperation.

In order to assess some dimensions of effectiveness in donor coordination in the Pacific (both intra-EU and between EU- and non-EU actors and programmes), and to suggest how it might be further improved, the Study Team carried out a series of meetings at EU delegations in the Pacific during December 2013. **The opinion of a number of EU project coordinators working on the ground was that many of the projects were useful for Pacific Islanders and were overall well-designed, forwards-looking, with long-term aims, as well as well-funded.** However, the project coordinators we spoke to also echoed the problems raised in the PIF report. For example, in terms of overall aid coordination they had encountered other overlapping projects, funded both by the EU and by other donors. **The project monitoring processes associated with EU projects were widely perceived as chaotic and onerous.**



The problem of insufficient coordination among donors, and even within the project portfolios of single donors such as the EU, was identified also in consultations we had with Pacific governmental officers dealing with EU projects. The paperwork required from EU-funded projects is considered difficult and demanding, and reporting requirements make the implementation and productivity of projects exceedingly complicated and time consuming. The technical language and sometimes rather opaque requirements of reporting make for slow processes. In this the EU seems to compare somewhat unfavourably with some of the other donors. One prominent government official noted that for the on-going efforts of running EU-funded projects and programmes it seems impossible to obtain the necessary information from only one source. For the internal, on-the-ground coordination of EU development cooperation, the post-Lisbon Treaty separation between EEAS and DG-DEVCO has left its own specific legacy. We wish to highlight the obvious importance here: communication and cooperation in Brussels, within the delegations, and between the two, directly impinges upon the character and successful exercise of the EU's development strategy. We understand that the issues here are recognised within the EU and EC system, and are the subject of an EEAS review.

**It is clear that the EU as a donor should endeavour to provide more comprehensive information and support to the coordinators of EU projects.** The coordinators are dealing with any issues on the ground, and if they are not a part of the EU themselves they should be provided with information about the EU's strategy, funding flows, engagement in the region, where the funding is sourced from originally, and what the EU's development objectives are. In a region where EU might not be as clearly visible an actor as other donors, it has to be clarified what EU is, what EU wants and why. In addition to this, support from not only one EU delegation member on the ground, but expertise from Brussels, would benefit the projects' success.

The EU delegations in the Pacific work in close collaboration with national governments and as such have less of a rural reach, despite the overwhelmingly rural populations in most nations. The delegations' main motive in working closely with governments is that of assisting with project implementation and providing technical assistance. Governments, for their part, have to provide budget reports that provide transparency and what is termed 'sector follow-through'. There are however certain difficulties working with the government, such as high overhead costs and lack of cross-cultural understanding. Frustrations may develop on both sides when funds just remain in the budgets with project not being implemented. Feedback from national government sources also noted some 'international miscommunication'. The delivery method for EU funds can be a slow process: one government minister we interviewed suggested that a delay of several years is the burden of bureaucracies on both sides. Careful consideration of the pace of concrete outcomes (country by country, project by project) is required here as direct funding delivery to countries can also slow down implementation. Some of these lessons learnt from past (and recent) EU development cooperation in the Pacific suggest the need for improvements, which may promote closer coherence between regional development policy and other EU policies concerning the Pacific.

One particular feature of Pacific SIDS is that the politics of island nations are compressed in scale, with a small number of actors engaging each other on a diverse range of issues. Most Pacific Islands capitals provide rather immediate access to observations of where, when and how policy is actually made, as national regional and global representatives meet and interact in a matrix of situations where many different issues may involve the same individuals in different capacities. This points to the importance of learning about and understanding Pacific cultural contexts of not only rural life, but also urban interaction, bureaucracy and administration. It is particularly important, then, that the new EU document 'Towards a renewed EU-Pacific development strategy' (2012) explicitly recognises cultural concerns in terms of the need to appreciate 'Pacific ways of addressing development challenges', and

work with ‘Pacific friendly delivery methods’. These statements about recognition of Pacific cultural contexts are helpful for establishing new pathways for policy coherence.

We may shift this perspective briefly to Brussels for an important observation. There is an oft-stated problem of making Pacific voices heard in the Brussels scene, and in the EEAS there is a perception that the diplomatic representatives of Pacific states in Brussels could be more proactively engaged. The post-Lisbon division between EEAS and DEVCO makes it of the highest importance that close working relations with Pacific ambassadors are improved; this will also speak to the issue of building equal partnership and cooperation relations. A close focus on Pacific ways of engaging, interacting and making decisions might well be expected to lead to more frequent dialogue with the seven Pacific representations in Brussels.

We are aware of previous discussions towards an enhanced venue for EU-Pacific dialogue and cooperation located in Brussels, and we recommend that plans for either a facility located within the existing ACP House or for establishing a separate ‘Pacific House’ be properly reviewed and openly discussed with Pacific diplomats. Whilst certain advantages of such a venue are seen by both EEAS and the PACPs, visions for activities and funding currently differ. For example, on the PACP side, such a venue would focus on policy and political liaison, would serve the ‘need for constant personal contacts with EC officials’, and would ‘focus primarily on those aspects of Pacific-EU relations and cooperation that are not currently being attended to’, but would leave the primary position and work of PIFS untouched (Luteru 2013:14). We see both potential and value in exploring ways to increase direct dealings with the PACPs. This is something we have heard called for explicitly in the Pacific, even to the point of one Minister suggesting that if the EU wanted a ‘game-changer’ then it should reconsider dealing with PIF in favour of dealing directly with the PACPs. Of course, the ACP appointed PIFS to its role as RAO for EDF funds, and we recognise that engaging the involvement and inviting the presence of PIFS in this context would be important.

As a response to PACP calls for an enhanced and broad-spectrum partnership, we wish to suggest that a ‘Pacific House’ in Brussels may also be helpful in shifting a range of policy- and decision-making processes concerning the EU’s development efforts in the Pacific away from the sometimes daunting complexity and challenging everyday logistics of the region itself – instead focusing, in an established Pacific way, on a smaller number of actors each representing a range of concerns that can be addressed. We recognise that, whilst PACPs have given PIFS the central role in project identification and action, the EU and EC may wish to enhance the scope for contributing European expertise on the Pacific region to the processes emerging from a collaborative development partnership. Again, it could be advantageous to the EU to be able to interact in Brussels with the RAO for EDF funds. We further recognize that, here, we touch on a centrally important aspect of EU development strategy in the Pacific: who makes the key decisions, and where? **A Brussels venue enabling a Pacific approach to building relationships of mutual respect and geared to manage a wide range of concerns, issues and measures in development cooperation could contribute significantly to obtaining close cooperation of the Pacific ACP states with both EEAS and DEVCO, and might also promote communication and cooperation between Pacific states and OCTs.**



## 4. ELEMENTS OF AN EU DEVELOPMENT STRATEGY FOR THE PACIFIC

### 4.1 New Partnership Qualities

Pacific-generated reviews of development cooperation make it clear that Pacific states and regional organisations wish to prioritise their own plans and strategies. An EU development strategy that recognises and supports the primacy of Pacific priorities and importance of national objectives and development strategies, and that promotes a shift from technical components to partnership relations, would find favour and success in the Pacific. This point is repeated here because its importance cannot be over-emphasised, since from a Pacific perspective, the question of defining a new EU development strategy in the Pacific is as much a question of defining a new and equal partnership relation through which Pacific development strategies can be supported.

The success of any development strategy depends upon, and reflects, the key architectural aspects of institutional arrangements, channels for dialogue and mutually appropriate policies. In the Pacific context, these key architectural aspects are already in place and have reached some level of maturity: this can be seen in the long-standing grouping of the ACP and the framework provided by the Cotonou Agreement and in the current commitment with PIF as the Regional Authorising Officer (RAO) for European Development Funds (EDF). It can also be seen in the evident and reported appreciation for the EU's support in the Pacific that this study encountered during fact-finding missions in the region. Whilst these architectural aspects provide an enabling platform going forward, they also constrain the room for modest or radical changes to EU development strategy. But from a Pacific perspective, it appears that what can and needs to be transformed is the nature and characteristics of EU-Pacific relations. It needs to be pointed out here that PIF has strongly suggested a role and agenda of regional integration, which is likely to be a vehicle also for expanded dialogue with OCTs. In fact, the EU might consider the option of seeking further, formal involvement in the PIF, given its status as a major donor and the role of the PIFS as RAO. Whilst this might work against the desire for increased autonomy expressed by Pacific partners, it may also be a workable response to calls for equal partnerships in development cooperation. **The key issue here is to understand and respond to critiques of donor-led and 'top-down' development, that is, to examine the ways in which decisions are made, and the kinds of decisions that are made, and to consider whether the current process is able to design and deliver projects that are appropriate and workable at the local level of development ownership.**

Alongside synthesizing policy approaches between the Pacific and for example Asia, a distinctive position is available through recognizing, valuing and dealing with the Pacific in its own right and separately from other nearby countries or regions, thereby playing a different kind of game based on distinctive, non-instrumental, motivations. In simplistic terms, conventional approaches to international relations instrumentally connect diplomatic and economic activity. Given that Pacific economies neither pose a significant threat or opportunity to foreign economies, the levels of diplomatic interest from some quarters is corresponding. **From a Pacific perspective this is an opportunity for the EU to develop its relations in a way that would distinguish it from other positions which engage the Pacific.**

### 4.2 Sectors in Future EU Development Cooperation

Current sectors focused on by the EU through the EDF includes a range of topics such as water and sanitation, transport, fisheries, energy, education and vocational training, trade facilitation, private sector development, climate change adaptation, infrastructure, capacity building, civil society, rural

development and more. 11<sup>th</sup> EDF funding is identified for a multi-year period, the mandate of the Pacific Islands Forum Secretariat (PIFS) to act as RAO for the funding being given by the ACP group of countries. The 11<sup>th</sup> Pacific Regional Programming Consultation Workshop (27 February 2014) opened with a call stressing the importance of 'inclusiveness', and that alignment of the 11<sup>th</sup> EDF projects to regional priorities set out in the Pacific Plan, and to national priorities, would be 'essential' to any success. The first round of consultations for the 11<sup>th</sup> EDF Pacific Regional Programming as early as October 2012, identified Sustainable Management of Natural Resources and Environment, and Regional Economic Integration as two prospective focal sectors.

The recent regional programming consultation workshop was expected to endorse this approach, and to discuss a third and crosscutting sector (covering governance, gender, civil society and the private sector) in formulating the Pacific Regional Indicative Programme (PRIP). As a range of EU initiatives - such as development supports and trade agreements - have leverage role upon focal sector outcomes, issues of Policy Coherence for Development (PCD) become important here. As seen above, policy coherence is a particular issue in the Pacific context: not only, as above, in terms of calls for the EU 11<sup>th</sup> EDF to complement the Pacific regional and national priorities, but also because of the unevenness of the region, and the unevenness of EU activities in the region.

For example, Papua New Guinea's early response to the European Partnership Agreement (EPA) has provided an exclusive interim involvement, on such favourable terms that PNG is understandably unwilling to give up in favour of an EPA capable of covering the entire region. Moreover, PNG's uptake of an interim EPA has had a significant impact on jobs and investment, and also contributed to tuna conservation discussions, in a relatively short space of time. Especially in the focal sector of supporting the Sustainable Management of Natural Resources, these policy coherence issues, such as those between development and trade, are exacerbated in the Pacific because of the contested nature of large-scale resource extraction. However, the scope for further private sector involvements in trade, and in supporting public sector implementation and delivery, was raised in the course of this study: whilst there appears to be willingness on both sides, the specific scope would need further consideration given the existing national legislative constraints. For example, in Papua New Guinea the room for private sector involvement in the delivery of public services is deliberately restrained.

Alongside the ambitions for a region-wide EPA, the EU is also currently engaged in other trade-related assistance for regional integration: the Pacific Integration Technical Assistance Project (PITAP) is coordinated by PIFS and funded through the EU's Strengthening Pacific Economic Integration Through Trade (SPEITT) programme. As can be seen, the 'regional' picture is uneven and any future strategy will require a corresponding, that is to say, tailored and fine-grained, understanding of policy coherence in terms of sector-by-sector and nation-by-nation.

The problems of recognising differences within the region as well as between Europe and the Pacific can be seen in ongoing discussion of the Economic Partnership Agreements (EPAs). Through EPA negotiations it became clear that expectations should be expressed more clearly. According to meetings with EU delegations both in the Pacific and Europe they were left with the impression that the EPA from the Pacific side was a hope to solve regional development through trade, while from the EU side it was an idea of how to get trade going.

Opinions expressed by some of the EU delegations and governmental representatives during meetings in December 2013 were in particular reference to the amount of time it takes for the funding to arrive. It can take up to several years from deciding on a priority sector, until it shows up in the national budget. The whole process of funding is perceived of as complicated, and rather slows development cooperation down rather than making it more fruitful. Horizons of aid planning that extend to ten- and

even five-year periods are regarded as long-term engagements amongst the donor community. The EU has made, and been willing to make, five-year funding commitments in the Pacific. However, given the very long-term scale of certain challenges and issues, even such an extended period can be perceived as lacking long-term engagement. This was particularly mentioned in regards to climate change which should be approached as a long-term condition rather than requiring a short-term fix. Long-term commitments enable stable and sustainable capacities and human resources to be built and retained, and protect them from short-term financing cycles. This is a particular issue in the Pacific, and critical to the work of the CROP agencies, for example.

Of particular importance for the Pacific Islands stands the intensification of environmental challenges. Climate change continues to affect a broad range of important focal sectors where EU has previously provided funds through the EDF, and is important because it touches on issues perhaps most vital for Pacific existence, such as land and subsistence. As a major crosscutting issue in the EU's cooperation with the Pacific, the climate change challenges have a specific generality. Both existing and future progress on all development issues in the Pacific is vulnerable to climate change, which is not just a matter of rising sea levels, but of new variabilities to weather systems and events that pose immediate risks to Pacific livelihoods in more dimensions than just coastal erosion and salt water intrusions. Any analysis of EU development policy for the Pacific must take climate change as a central concern, but the approaches taken might benefit from some reorientation. Current policy framings carry a culturally specific and instrumental assumption of the links between climate change problems and solutions that is closely aligned with the scientific method. But some caution is required about relying on this form of causation which is but one method understood and deployed by Pacific peoples. All too often the natural, physical, tangible, scientific and technocratic unexpectedly appears quite contrary and opposite to prevailing assumptions, and a deeper knowledge of Pacific perspectives such as provided by the social sciences and humanities might lead to improved dialogue on these important matters.

To ensure greater policy coherence in development cooperation with Pacific states, the EU, therefore, needs to consider the cultural and social aspects of these issues. This can be seen in the fisheries sector amongst other, where there is an ongoing attempt trying to find common regional approach for marine resources. While the successes of the Pacific's regional, inter-governmental efforts to monitor, manage and regulate access to migratory tuna resources are noteworthy in a global perspective, the local forms of managing access to coral reef resources in the rural Pacific are highly interesting as a stark contrast to long-standing views that the sea cannot be owned and that local fisheries cannot be self-regulating but must be managed by central government.

### **4.3 The Pacific in the ACP Context**

In view of the 2014-2020 EDF programming cycle and the expiry of the Cotonou Agreement (2020), the question has been asked as to what degree development objectives of Pacific nations are coincident with those of other ACP States. The on-going ACP review process is also responsive to the profound changes seen in Europe in terms of the financial crisis, the Lisbon Treaty, and the geopolitical importance of Asia-Pacific which, to the concern of Pacific nations, has led EEAS to house the Pacific in its Asia-Pacific division. That the Pacific is now in with Asia in the EEAS for organizational purposes, and yet is with Africa and the Caribbean for the continuing purposes of the Cotonou Agreement, has produced what looks like an awkward dichotomy. Whilst the 'Asia-Pacific' paradigm has gained traction among the major global players, this rationale has comparatively little currency in the island Pacific. Indeed, recent ACP reports and those of the regional groupings make very clear an aspiration and intention to continue and to grow the ACP, and to enhance and intensify interactions with the EU. The original rationale for the ACP amalgamation was never simply on basis of common development

objectives, but was as much based in historical and colonial relationships. As Lomé was superseded by Cotonou, the commonalities between ACP have both become more similar due to globalisation, and more differentiated by transforming cultural differences and evolving political contexts. Some of the regional characteristics of the Pacific are shared by the equally island-focused Caribbean region, but the Pacific has greater diversity and complexity in geopolitical, environmental, spatial, demographic and cultural terms.

The ACP group in fact provides the Pacific with a strong potential support network and a total of 79 votes. It can be beneficial for the Pacific in that the ACP countries share information and advice internally. The value in ACP is also that there are many old connections and well established relations, as well as the strength of long-standing ties. As an example, other African and the Caribbean countries could help with resource development in the Pacific. This can be seen, for example, in instances of 'lending' of specialised African lawyers and advisors in international meetings to support the Pacific. Such collaboration will be beneficial for the smaller countries in particular. In addition Africa and Caribbean can support the Pacific on larger issues such as climate change in international fora and discussions. Nevertheless the Pacific states are less involved in the ACP group than the other countries, and can become additionally marginal as the EU promotes Asia-Pacific linkages. Not unexpectedly, there is a dominance of Africa in the ACP group. For the SIDS of the Pacific, it has been suggested that the EPAs are of particular importance, since they more closely approach issues from view on the specific groups of countries.

ACP linkages are increasingly multi-layered, and the rationale of common development objectives is no longer a primary bond. But whereas development objectives may no longer be common, the aspiration to work and to engage the EU in common ways and as a larger amalgamated collective should be viewed as of equivalent importance as shared development objectives. This common approach represents a resource for the EU to build upon. In respect of the Pacific ACP states, they strongly expect the region's particular circumstances to be recognised and the per capita spend at least maintained. This is a reasonable and realistic expectation, and indeed given the enlarged geopolitical importance, a ready case could be made for increasing the P share of ACP funds. Moreover, the Pacific has expressed a wish to play a full, indeed fuller, part in the ACP and truly become a member on an equal basis, no longer being seen as what one prominent Pacific diplomat expressed as 'the small letter in the acronym'. This is to be encouraged and supported by the EU in the ways available to it.

As for whether it is advisable to maintain the EU's development policy in the Pacific under the ACP umbrella, our findings for this study concur with those views expressed in a separate EU report by ECDPM. Much more effective interaction and cooperation would benefit both sides, and increased and direct dealings between the EU and PACPs, whether in Brussels or in the region under the auspices of PIF, should be a priority. Indeed, this would speak directly to the quality of an equal partnership arrangement. More dedicated EU-PACP collaboration would also provide a stronger support to the Pacific Islands themselves, without external constraints through other countries such as New Zealand and Australia. By going directly to the Pacific Islands themselves, the EU could strengthen its role in the Pacific as a serious actor wishing to collaborate with Pacific countries, and the 'added value' of development cooperation would rise. An important consideration in the transitional period to 2020 would be to avoid the perception that the Pacific's ACP interests are being diminished. Equally, the EU, Asia and the Pacific might all lose out if their distinctions become harder to define or even lost through the reorganization.

## 5. CONCLUSION

### 5.1 Better Understanding of the Pacific

**The Pacific clearly constitutes a geopolitical context whose importance is markedly set to grow in significance and the EU should enhance and deepen its own institutional knowledge of 'Pacific Ways', and also support ways to promote European expertise on the region.** The Pacific Islands were long viewed by Europeans as a remote, isolated region whose small and dispersed populations and paucity of natural resources condemned it to dependency on larger economies. In contrast, Pacific Islanders' own sophisticated grasp of social relations views spatial separation as promoting proximity, and remains important to the subsistence of a majority of its inhabitants. Such a vision also suggests that the EU's geographical distance from the Pacific need not necessarily place it in a relational disadvantage. Indeed, in some respects the history of European interests in the Pacific is viewed within the region as constituting a legacy of special responsibility and therefore amounts to a relational resource that could be used to advantage.

There is wider significance for the EU's development and political external actions here. For just as the Pacific region can be considered as an interesting test-case for the EU's policy coherence for development and effective donor coordination, so it should be considered even more importantly as an interesting test-case for the form and quality of the EU's partnership relations. Unlike the US and Australia, Europe does not have a single centre of dedicated Pacific expertise, but it does have extensive social science and humanities expertise that provides a research evidence base which could play a much fuller role, and could be made much better use of.

In this regard, the EU should explore expanding its existing Quality Support Groups – multi DG + EEAS HQ + EEAS DEL phone calls during the identification and formulation stage of project fiches – to include lessons from social sciences and humanities research, and preferably to be prepared from the outset with such inputs integrated. The ECOPAS consortium would be pleased to assist with this. We recommend that the European Parliament should give attention to the following areas of special interest, in order to further emphasise to the European Commission the importance of:

- Understanding sustainable development in local forms – thereby recognise how Pacific people perceive resource extraction and development projects in their own vernacular terms and through their own kinship and cosmological connections – and that the design and outcomes of such projects will be more successful if this is acknowledged and taken seriously.
- Building self-sufficient communities and moving away from a culture of dependency – thereby addressing critical factors for building resilience among the people of the Pacific Islands.
- Recognising the importance of local community structures to ensure project success, in particular when it comes to micro-projects that depend on positive feedback on the ground.
- Developing selected regional research projects focused on fisheries, gender, policy making process, customary land matters, climate change and food security, in order to better understand the shared concerns that bind Pacific countries together.

### 5.2 Re-thinking EU-Pacific development cooperation

The tone of inter-personal relations, and the authority over decision-making agency, speak loud and clear here and are logical consequences of the Pacific-wide critique of the donor-led development model. But the EU's bureaucratic processes and funding stages, and the universal complaints from

stakeholders on all sides about the onerous and intrusive requirements, also speak to and make concrete the EU's expectations and attitudes to its Pacific partners. Whilst the bureaucracy does indeed need to be streamlined to release the human resources otherwise tied up in planning and implementation capacities (in Pacific governments and in the EU Delegations), such complaints should be heard in reference to the more important matter of re-making the relations that enable any EU development strategy in the Pacific. **The ACP hold an entirely reasonable expectation that a closer development partnership with the EU would both simplify the management and monitoring processes, improve the quality of locally appropriate projects, and also speed up the flow and delivery of humanitarian assistance.**

The areas of communication and cooperation between Brussels and the Pacific region are of central importance. As we might expect, everyday working linkages across so many time zones, and the issue of participation and coherence between the central headquarters and the peripheral EU delegations, are clearly challenging. More unexpectedly, perhaps, are questions of communication and cooperation between EEAS and DEVCO, especially at the delegation level. We understand that these and other issues have been the subject of a recent EEAS review.

We recognise, of course, that staff constraints and complex procedures can limit the Delegations' capacity to devote time to substantial management and policy dialogue – and this in turn can lead to more delegated implementation of EU programs to other organisations and partners, with the result that EU funds are then used to recruit the technical expertise that is needed to engage substantially with the partner country. Clearly, there is a balance to strike between direct and delegated cooperation, and this obviously reflects finding levels and resourcing commitments. Ideally, a delegated cooperation where the EU is still very much involved in the formulation, the policy dialogue and the strategic decision-making is desirable, and should be an integral part of EU cooperation strategy.

A relatively straightforward and productive route here, and one which would represent an act that in and of itself would be recognized and valued in the Pacific, would be to ask and consult with expert Pacific islanders (not only government officials). This would have to take place in a wider and looser format than feedback on a proposed project or specific agreement. If this suggestion seems novel and unconventional, then that may be a good reason to pursue it, for it would mark out the EU's relations in a distinctive way.

**The European Parliament is encouraged in this regard to make politically bold demands, and to seek specific regional consultation, for example as part of interparliamentary meetings (ACP-EU JPA), with particular reference for the new EP to the upcoming JPA in Vanuatu in November 2014.**

We recommend that the European Parliament should give attention to the following dimensions, in order to further advise the European Commission accordingly:

- In recognition of Pacific diversity, enable a similar diversification of development cooperation, rather than an approach of 'one size fits all'.
- Develop positions and approaches beyond the donor-recipient relationship to attain an increased focus on cooperation, and prioritise simplified, more effective routines for disbursement of funding from the recipient perspective.
- In view of the several recent calls for a mature development partnership and the critique of donor-led development evidenced by the PACP review, the PIF Pacific Plan Review, and the emergence of PIDF, review how best to balance donor coordination from the point of view of the EU.



- Some Pacific government officials suggested that the EU should review and consider rethinking its main collaborative partnership with the PIF (including Australia and New Zealand) and take into account recent developments on the regional organisational field, such as represented by the initiatives of the MSG and the formation of the PIDF.

### 5.3 Re-making EU-Pacific Relations

Given the crucially important role given to cooperation in the life-cycle of identifying and implementing projects, and the potential for enhancing EU-Pacific interactions in Brussels, a fuller analysis of these working practices both in Brussels and in the Pacific delegations is required. The ACP review in particular calls for closer technical cooperation with the EU, and this study has already discussed a proposal for a 'Pacific House' which would facilitate greater representation by PACPs and closer EU and EC interaction and cooperation with them. Such facilitation would enhance the role of PACPs in project life cycles, and afford a venue in which the EU can (alongside PIF occasions) more fully engage the PACPs as a collective grouping. This suggestion may also be a means of advancing the EU's expressed interest in enhancing cooperation and integration in a way that can also include the OCTs.

**Rising to the challenge of re-imagining EU-Pacific relations will require a good deal of work and reflection to properly grasp and understand the emerging context and consequences,** not least because accepting these terms would also re-write the rationale motivating and justifying the EU's commitment of funds to the Pacific region. **Such a strategy would also obviously re-work the basis for the policy compact between the EU's developmental and political external actions.** Such further work and reflection should reconsider the current characteristics and themes of EU-Pacific relations and policy, and provide a thorough reassessment of the assumptions that the Pacific reviews reveal. We recommend that the European Parliament should give attention to the following dimensions and further emphasise to the European Commission the need to:

- Develop a better understanding of Pacific regionalism.
- Enhance direct cooperation with PACPs, ideally through a 'Pacific House' in Brussels, and strengthen and support further collaboration for the improvement of mutual working practices.
- Recognise that development cooperation with regional partners such as Australia, and coordination with regional bodies such as the Asia Development Bank, is vital, but that the EU also needs to strengthen its own identity in its own right, by raising the profile of its support and assistance more directly.
- Build a future relationship between the EU and the Pacific explicitly grounded in, and motivated by, a distinctiveness and directness between partners in their own right, with concrete ambitions beyond geopolitical interests.
- Work towards increasing development strategy and policy coherence by decreasing bureaucracy, and by adjusting approaches, implementation and reporting to local needs (if working in another region of the world, then adjust to the region you are working in).
- Give attention to the role of the quality of higher education in the Pacific as key to the region's future development capacity. The EU should examine ways to support the education of the next generation of university and college educators to develop globally and locally relevant knowledge, skills and critical capacities.

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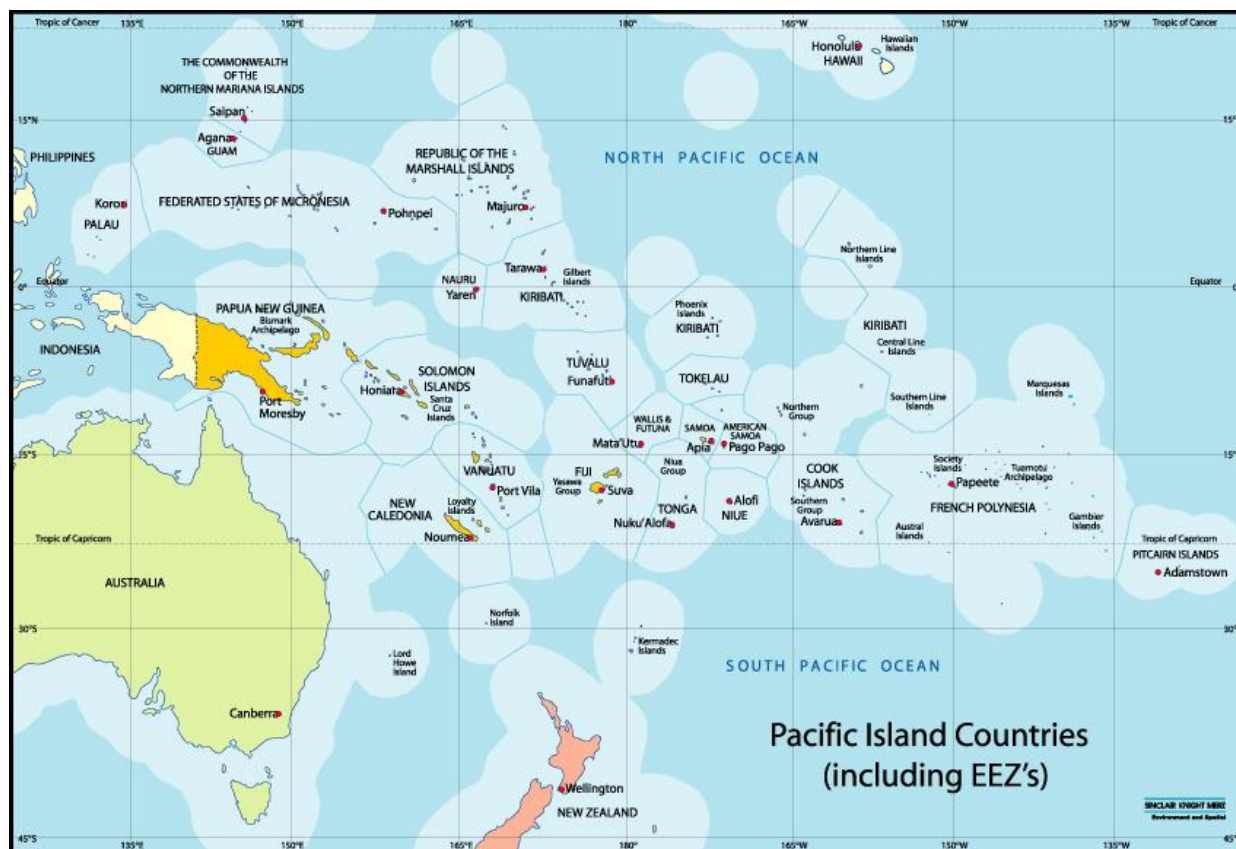
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## ANNEX 1 Map of the Pacific, including EEZs



## ANNEX 2 Pacific States Overview

No.	Country	Land Area (km <sup>2</sup> )	EEZ (km <sup>2</sup> )	Population	WB Income	Real GDP	GDP Real Growth	GDP Per Capita
						US\$ (million)	Avg % p.a.	US\$
1	Cook Islands	237	1,800,000	17,791	lower middle	243	5.3	10,281
2	Federated States of Micronesia	700	2,900,000	102,843	lower middle	298	0.2	2,898
3	Fiji	18,333	1,260,000	837,271	lower middle	2,256	0.2	2,987
4	Kiribati	810	2,600,000	102,697	lower middle	168	-0.7	1,634
5	Marshall Islands	181	2,100,000	53,158	lower middle	163	2.0	2,990
6	Nauru	21	320,000	10,185	N/A	52	N/A	5,462
7	Niue	260	293,988	1,611	N/A	18	1.0	11,800
8	Palau	444	600,900	19,907	upper middle	171	1.4	8,370
9	PNG	462,840	2,400,000	7,167,000	lower middle	20,771	7.1	2,898
10	Samoa	2,820	120,000	187,820	lower middle	616	3.0	3,311
11	Solomon Islands	28,370	1,340,000	515,870	lower middle	671	5.8	1,270
12	Tokelau	12	290,000	1,411	lower middle	N/A	N/A	N/A
13	Tonga	747	700,000	103,036	lower middle	348	1.4	3,370
14	Tuvalu	26	900,000	11,100	upper middle	36	1.5	3,240
15	Vanuatu	12,189	680,000	234,023	lower middle	684	4.6	2,856
<b>total</b>		<b>527,990</b>	<b>18,304,888</b>	<b>9,365,723</b>		<b>26,494</b>		
total less PNG		65,150	15,904,888	2,198,723		5,723		
PNG/all		88%	13%	77%				
14 PICs data from Pacific FAO CPF 2013-2017 and other FAO sources								
PNG data from IMF 2011 Article IV Report & WTO Trade Profile								

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